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## The Nation's Business

**A Forecast of the Budget**
**Will Come Down Early**
**Changes in Tariff and Taxes Predicted**
**Chamber of Commerce Throws Out a Hint**

CONTRARY to custom the budget will be brought down by Hon. J. A. Robb, Federal minister of finance, within a week, probably on February 16. This information was current in reliable circles at the capital this week and there seems to be every indication that the government will attempt to make the present session as short as the one which preceded it and start the annual recess before the end of April.

The main outline of the budget has been completed and unless there are last minute changes there will be generous tax reductions as well as substantial tariff changes.

* * *

THE budget, there is reason to believe, may provide for the following changes:

1. The duty on higher grades of paper, particularly for magazine and periodicals, will be reduced.
2. The duty on woollen knitted goods, will be slightly reduced.
3. The duty on imported alcoholic beverages will be reduced.
4. The duty on cotton yarns below a count of 40 will be reduced.
5. There may be some reductions in the duty on machinery for the manufacture of boots and shoes and on hollow-ware.
6. Tariff protection will be given to cotton yarns above a count of 40 and, perhaps, woollen yarns will receive additional protection.

* * *

TAXATION changes will likely involve the following:

1. The sales tax will be reduced by one or two per cent.
2. The excise duty on liquor will be reduced.
3. The excise duty on cigarettes will be cut by not less than $2 per thousand.

Mr. Robb will have to estimate the financial results of the year, but will be able to forecast a surplus of probably more than $50,000,000 of ordinary revenue over ordinary expenditure. It is difficult to appraise the expenditures on capital account and these may alter the position somewhat.

* * *

TARIFF changes will require very little explanation. The makers of the higher grades of paper have already offered to reduce their prices to many publishers. The knitted goods branch of the woollen industry is in a prosperous condition, in contrast to the other branches and the evidence adduced at the hearings before the tariff board is taken by the government as an excuse for a cut in tariff that, it feels, would not injure the position of the various companies. There has been a steady demand for a reduction in the customs and excise duties on alcoholic beverages, which now stand at $10 customs and $9 excise per gallon. However much these duties may be reduced the protection now afforded domestic manufacturers will be maintained, if not increased. In regard to yarns, the industry below a count of 40 is now protected whereas the companies manufacturing counts of more than 40 do not receive protection. Obviously the higher counts deserve as much protection as the lower and therefore will be given a tariff. However, the lower counts probably will lose some of the protective duty now prevailing.

* * *

IT IS a quiet but forceful hint that the Canadian Chamber of Commerce throws out to Ottawa, when it says in its February bulletin:

"It is disappointing that Canada has not been well to the fore at the various Empire Industrial Exhibitions which have been recently held in Great Britain. A greater co-operation between the government and the Canadian producer can be advantageously worked out to facilitate Canadian displays and to give impetus to Canadian exportation. Ottawa's full endorsement of this Empire Marketing project will receive the concurrence of the business community."

The chamber speaks for Canadian businessmen, who have been, to put it mildly, astonished, even chagrined at Canada's failure to appreciate the opportunity that the displays in England of the Empire Marketing Board afford. Ottawa can not afford to be less than enthusiastic in its co-operation in the future.

## CHANGES ARE MADE IN MOIRS' REGIME

### General Manager and One Director Resigns

From Our Own Correspondent

MONTREAL.—At the annual meeting of Moirs', Limited, several changes took place in the management of the company. C. V. Monaghan, who has been general manager and a director of the company since its organization, has resigned, and J. H. Winfield has been appointed managing director.

The officers appointed at the directors' meeting following the shareholders' meeting, were as follows:—Jas. W. Moir, chairman of the board; O. E. Smith, president; W. C. Pitfield, vice-president; J. H. Winfield, managing director; Thos. Hood, comptroller and secretary.

Archibald Fraser, president of the Fraser Companies, of Fredericton, New Brunswick, and Frank Stanfield, president of Stanfields, Limited, of Truro, Nova Scotia, two of the most prominent Maritime Province manufacturers and capitalists, have been added to the board.

## M. DESBRISAY IS NEW CZAR B.C. FISHERS

### Operators on Coast Will Co-operate for Next Three Years

**LIMIT OPERATIONS**

### Enormous Savings Will be Effected by Companies Entering Into New Voluntary Agreement

Merrill DesBrisay, of Vancouver, is the new Czar of British Columbia's fishing industry.

After years of bickering and fighting between themselves, fish operators on the Coast have declared a truce to extend until 1930.

Co-operative effort up until this year was considered a fine thing by the fish operators—for the other fellow. Financial returns for 1927 of the Big Three British Columbia Fishing and Packing Co., Gosse Packing Co., and Canadian Fishing Co., showed a heavy loss. The management of these concerns realized that the decline in revenue was primarily due to the small catch, but that this in turn was due to excessive competition, which was not only hurting themselves, but slowly and surely killing the fishing industry of British Columbia.

**No Government Aid**

A number of meetings were held in the past month by interested parties and the conclusion was reached that as aid from the Federal Government was unlikely, it was up to the industry itself to bring things back to normalcy.

To understand the events leading up to the signing of the truce and the appointment of a "commissioner" who has been given power to rigidly enforce the rulings of the new agreement, one must go back to the period immediately after the war.

At that time about 2,000 licenses were annually granted by the Federal authorities, permitting fishing in the British Columbia coastal waters. When the problem arose of finding employment and reestablishment of the large number of fishermen who were demobilized out of the Canadian army, the government undertook to hand out licenses to these men with little regard to the effect on the industry.

By the end of 1926, nearly 7,800 licenses, or to be exact 7,760, were issued. Last year 12,071 licenses were issued. The result of this wholesale issuance of licenses is not hard to understand. Fishing was not carried out in an economic and systematic manner. If one district was yielding good catches, it was not long before the place was overrun with fishermen and the area quickly fished out.

**No Expense Spared**

The large operators, in order to protect themselves, had to increase their equipment. No trouble or expense was too great to secure the largest share of fish. Bonuses were being paid, fishermen's operations financed, prizes for high catches paid, etc. One large company last year, paid over $60,000 in this manner in order to keep up with its competitors.

It was ruinous competition and no one realized it better than the operators themselves. With no aid from the Government, the operators took the matter in hand and as from February 1st, 1928, to the same date in 1930, have bound themselves by an agreement for the regulation and control of the British Columbia fishing industry and to see that their rulings are enforced Mr. DesBisay industry when the budget is brought down shortly. The general consensus

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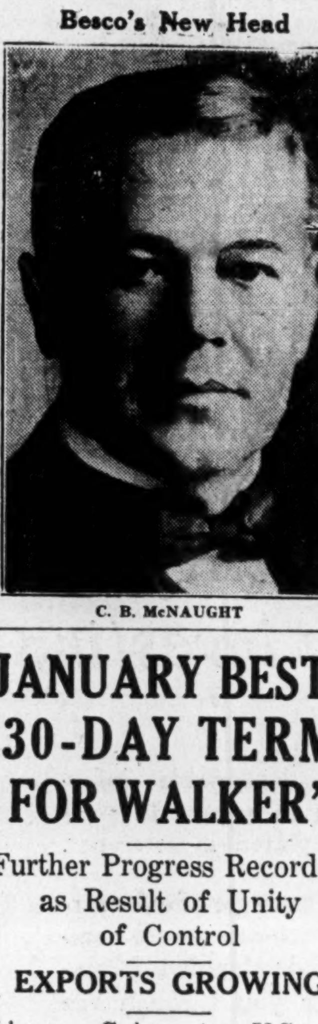
Besco's New Head



C. B. McNAUGHT

## JANUARY BEST 30-DAY TERM FOR WALKER'S

### Further Progress Recorded as Result of Unity of Control

**EXPORTS GROWING**

### Liquor Going to U.S. is Negligible Proportion of Total Foreign Trade

Earnings of Hiram Walker-Gooderham & Worts are reported on good authority to be running in excess of $8.50 the share. January, it is stated definitely, was the best year in the company's history, and it is expected that further benefits will be effected as the result of the merging of administrative control and sales effort on the part of the two largest distillers in the Ontario field.

Exports of both operating companies are growing rapidly. Domestic sales are increasing and at the same time the stocks of maturing liquor are growing steadily so that the company can look forward to satisfactory business for years ahead.

**Foreign Trade Grows**

Stock of Hiram Walker has been somewhat soft on the Canadian market in the last week or so. The belief is that the renewed agitation for prevention of exports of liquor to the United States is the reason for selling on the part of some holders of the stock. But selling on the assumption that Hiram Walker would be materially and adversely affected by a campaign against these exports is unwise for the reason that the proportion of the company's sales which ultimately find their way into United States bootleg channels is negligible. In referring to the export business of Hiram Walker, one has in mind the export to countries where liquor is legally sold. Hiram Walker always has enjoyed a good market for its products in Europe, Asia Minor and the Orient, and steps now are being taken to promote trade in Australasia and South America, as well as to increase the business with South Africa.

Definite improvement in this foreign trade has been noticeable under the present management. New agents and sales managers have been appointed for a number of the foreign fields and a number of new offices have been opened. Marked increase in sales has been the result.

## Gosse Defers Dividend; B.C. Fish Profit Down

### Only Ray of Hope is Statement from Government Official That Spawning Beds Are Seeded Well

Gosse Packing Co. has passed its preferred dividend payable February 1st, because the annual report will show an operating loss for 1927. It is improbable that the dividend due May 1st will be paid in view of the fact that it is usually midsummer before the company knows whether or not the fishing will be good.

B. C. Fishing & Packing had no better year than Gosse Packing, it is understood. In the circumstances, it is more than probable that there will be no dividends on the common stock of this company in 1928, and there is a strong possibility that one or more quarterly dividends on the preferred will be passed.

Gosse Packing in 1926 sold 447,244 cases of salmon. In 1927 the pack was only 264,458 cases, a drop of 40 per cent. A similar drop in the pack of B.C. Fishing may be anticipated. Usually a reduction in the volume means a proportionately greater reduction in net earnings. This accounts for the net operating loss on Gosse and, from this, it is deemed probable that the report for B. C. Fishing will show earnings of less than preferred dividend requirements of $175,000.

Last year, B. C. Fishing showed net earnings of $345,262. But only $6,894 had been appropriated for depreciation. It is thought probable that the company this year will be constrained to put aside a larger sum for depreciation. The balance sheet shows $1,000,000 in the depreciation account, against capital assets carried at $3,531,000. By resolution of the directors a year ago the sum of $1,000,000 was fixed as adequate for depreciation.

Some important units of B. C. Fishing plants are on the Fraser river, which has suffered most from the decrease in the catch. In view of the probability that the company eventually may have to write off these plants and move them farther north, it is believed that further sums should be set aside for depreciation.

A dispatch from Vancouver to The Financial Post says that announcement by Major J. A. Motherwell, inspector of fisheries on the Pacific, that the spawning grounds are well seeded is seen as a ray of light through the clouds that have surrounded the fishing companies.

## BATHURST TO BUILD ANOTHER BREWERY

### New Brunswick Will Then Have Four Breweries in Province

BATHURST, N.B.—Steps are being taken by a number of Bathurst business men to organize a company for the purpose of erecting and operating an up-to-date brewery at Bathurst.

New Brunswick already has two breweries in operation, one in Saint John and the other in Fairville, a suburb of Saint John. Recently, steps were taken towards the establishment of another brewery at Moncton, and if that enterprise and the one now talked of for Bathurst goes through, there will then be four breweries in New Brunswick.

## Algoma Future Brightens as Ontario Ore Becomes Commercial Possibility

Possibility of the development of a cheaper process for using the iron ore deposits of Northwestern Ontario is another favorable feature of the outlook for Algoma Steel Corp., because that company's plants at Sault Ste. Marie are conveniently situated in relation to the ore bodies. The matter of the use of these low-grade ores has been debated in parliament in the last week, and there is a remote possibility that if the new process actually is commercially feasible, the Dominion will accept the standing offer of the Ontario Government for a bonus, on a dollar for dollar basis, to companies using these ores.

The question is complicated, however, by the fact that a bonus which would be of direct benefit to Algoma, would not solve the problem of the Nova Scotia steel properties. It is believed that, if the Ottawa Government does anything, the claims of Besco and the Maritime Provinces must be dealt with first, or at least simultaneously with the other.

**Might Use it at Hamilton**

Just where Steel Company of Canada would come in on this is not apparent, but it is probable that, if the use of the Ontario ore is commercially feasible, with a bonus, the Hamilton plants of Steel Company of Canada could use it as advantageously as these now use ore from the south shore of Lake Superior.

It will be recalled that Algoma Steel Corp. six weeks ago announced plans for plant betterments at Sault Ste. Marie which ultimately would involve expenditures of between $10,000,000 and $12,000,000. The great object of Algoma management is to secure a diversification of product which will broaden its market. Until the last two or three years, the Sault plant was confined in its activities largely to the manufacture of rails. The demand for rails has been light in Canada for some years.

**Reorganization Expected**

So far, there has been no announcement as to where Algoma was to get the money for the realization of the ambitious plans which have been announced. A reorganization of the company and probably of the holding company, Lake Superior Corp., has been mooted for some time. It is apparent that the directors believe that the financial difficulties soon can be solved. The common stock of Lake Superior Corp. recently has been active on the Philadelphia Stock Exchange, while the first mortgage bonds of Algoma Steel have been rising rapidly in value. Lake Superior Corp. is controlled by Philadelphia interests, but the bonds have been held mostly in Great Britain.

## SEE LITTLE NOW TO JUSTIFY RISE MARCONI STOCK

### Earnings Would Need to Increase Ten Fold to Show 2%

From Our Own Correspondent

MONTREAL.—The New York brokers who have lately been dealing in Canadian Marconi on the New York Curb, are said now to be unloading their stock. The stock is now selling around the $4 figure, while fluctuations in December, 1927, ranged all the way from $2 to a new high of $4.75.

Information available from those close to the company seems to confirm the statement made recently by Sir Joseph Flavelle, the new chairman of the board, who stated that although the company's earnings are progressing favorably, there is nothing at the present time to justify the present high prices of the stock, which have risen from a low of 70 cents in 1927, to the high point of $4.75.

As far as earnings are concerned, the company has in the past two years made a surplus of $62,300, of which $24,000 was earned in 1926, and $37,900 in 1925. For the two-year period, this amounts to something less than 2 per cent. on the par value of stock outstanding. These 1926 earnings on the basis of the present market valuation of the stock would give a yield of a mere fraction of 1 per cent.

**Ten-Fold Increase**

In other words, at present prices, earnings would have to increase tenfold in the next year or two even to give a 2 per cent. return on the common stock. Then it must be remembered that this net profit does not allow for depreciation on property, the company having written off nothing for depreciation since it scaled down its capital structure at the end of 1924.

Another bearish factor is that at the present time an official investigation is being held in Great Britain to decide future international policy in regard to the use of cable and radio services. This conference seems to have been called for the purpose of bringing about a mutual delimitation of these services, and the results of its deliberations will probably not be made public for a month or so. The fact that these services in Britain are operated by the Government has particularly opened up the necessity for a realignment of the two services in Britain. The effect on the Marconi service may be important if the conference decides to limit the extent to which the new "beam" radio may be used in international communication.

**Increase Likely**

On the other side of the picture, there seems to be no doubt that the Canadian Marconi Co. will show a decided increase in earnings in 1927. The company's fiscal year ends on December 31st, but the annual report will probably not appear until June. Last year it was August before the figures were published.

Exactly what these earnings will be for the year is somewhat hard to estimate because of the fact that a share of the company's revenue comes from its $100,000 investment in a radio tube factory which is operated in conjunction with the Canadian General Electric Co. No statement of 1927 earnings has yet been received from this source, but if this branch of the business shows the improvement that is expected of it, there is a possibility that the new Marconi statement will show a profit of anything between $75,000 and $100,000.

This would be three or four times the amount of the 1926 earnings, but if such were the case, the company would probably deduct depreciation before it struck its 1927 profit balance.

**Beam Service**

All the various branches of the company's activity seem to be doing well at the present time, and it is understood that the company will definitely announce during 1928, the creation of a beam service between New York and Montreal.

When this service is brought into effect, the company will have the most rapid form of communication possible between these two cities, and will be able to give this service

(Continued on page 2)

## SERVICE STATION RIGHTS ON STOCK WORTH $4 TO $5

### New Stock to be Issued Will Get Dividend First Quarter

Rights on Service Station stock will be worth between $4 and $5 the share on the basis of recent market valuation of about $43.

The feature of the special general meeting of shareholders held this week was the announcement that 55,000 new shares would be issued, divided into 30,000 shares of Class A non-voting stock and 25,000 shares of Class B voting stock. At present outstanding are 45,000 shares of Class A stock, of which 35,000 were offered the public at $26.50 the share last November. If all the rights are taken up, 22,500 shares of the new issue will be disposed of. It has not been stated as to how the remaining 7,500 shares of the additional issue will be sold.

**To Acquire Two Companies**

Shareholders of record as at February 13th, are to be given the right to subscribe for new stock at $34 the share. Final payments are to be made by February 25th.

Proceeds of the new issue, totalling $1,870,000 will be used, it is announced, to acquire the remaining capital stock of Service Station Equipment Co., Delaware corporation, and the Canadian John Woods Co. The balance sheet of the Canadian company, as published in the prospectus last November, included among assets investment in the Delaware corporation amounting to $250,000. This represented 1,025 shares of common stock of that company. Another investment of the Canadian company was valued at $54,797, and was classified as "other shares at market value."

**To Get Current Dividend**

The new stock will be entitled to dividends of 40 cents the share for the current quarter, ending March 31st.

On the completion of this financing, the company will comprise three units, and it was announced that the earnings of any one of these will be sufficient to pay the current dividend on the Class A shares to be outstanding.

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## CANADA GETS REAL CONTROL OF SOO PLANT

### New Interests to Have Two Directors to Represent Them

**PLANS ARE COMPLETE**

### Financing of Lake Superior Corp. Will Involve Spending More Than $15,000,000

From Our Own Correspondent

MONTREAL.—At a meeting of directors of Lake Superior Corp. in Philadelphia, February 16th, two persons will be named interim directors to represent Canadian interests who have secured approximately 200,000 shares of the 400,000 shares of $100 par value outstanding.

One of the Canadian directors to be appointed to serve until the annual meeting in September will be Robert Dodd, Montreal investment banker. It is learned in Montreal that acquisition of the common shares of Lake Superior Corp. has been going on for about a year on the Philadelphia stock exchange. About 100,000 shares were obtained for $2 a share or thereabouts but in the last three weeks, when nearly 100,000 additional shares were bought, the price has risen sharply to $7.

**Not Holt-Gundy**

Identity of persons associated with Mr. Dodd has not been disclosed. It can be stated definitely, however, that Holt-Gundy interests are not concerned, so that there will be no connection between Besco and Algoma Steel Corp. The plans of the new group in control of Lake Superior are definite and complete and bear out the statements of operating officials at Sault Ste. Marie as to projects for improvement of the steel-making facilities. In addition, the new group is stated to have evolved plans for railway and other development as the demands of the lumbering and mining industries in Algoma require, so that the ultimate expenditure on the properties, probably will be above $15,000,000.

**Controls Many Companies**

Lake Superior Corp., through common stock ownership, controls Algoma Steel, Algoma Eastern Railway, British American Express Company, Algoma Steel Products Co., Fiborn Limestone Co., Cannelton Coal & Coke Co., Lake Superior Coal Co., Sault Ste. Marie Traction Co., Algoma Central & Hudson Bay Railway, and Algoma Central Terminals.

The low price of Lake Superior stock on the Philadelphia exchange has been 1⅞. The high since 1917 was 25⅛ in 1919.

## WINNIPEG 'CHANGE ADDS TEN STORYS TO GRAIN OFFICES

### Expansion is Significant When Pooling Theories Are Being Mooted

E. W. Kneeland, president of the Winnipeg Grain Exchange, announces that a ten-story addition will be built on the grain-exchange office building, which was already the largest office building in Canada. It is significant that the exchange requires additional space at a time when pooling theories are being broadcast.

Mr. Kneeland, in a statement to Winnipeg newspapers, said that the growth of business of the grain exchange as a grain exchange necessitated the addition. The tenants of the building, all of whom are directly connected with the trade, are suffering for lack of space. At the same time, it was said that negotiations are in progress looking to an amalgamation of the Winnipeg Grain Exchange and the Winnipeg Stock Exchange. The two activities probably will be carried on separately but it is believed that many of the facilities which the grain exchange has developed to a high degree can be utilized advantageously in stock trading.

**Alexandra Apartments Are Full to Capacity**

Alexandra Apartments, Ltd., reports net earnings of $24,101 available for bond interest, depreciation and income tax for the five months ended October 31 last. This compares with $19,991 for the corresponding period in 1926. Little trouble has been found by the management in renting its apartments and it is understood that the building has been occupied to capacity for some months.

## Speculator's Gain on Stock Markets is Subject to Tax

**High Price for Seat on Vancouver Exchange**

From Our Own Correspondent

VANCOUVER.—Most recent sale of a seat on Vancouver stock exchange netted the vendor, Victor W. Odlum & Co. $12,500. The purchasers are a syndicate associated with Parsons, Brown & Winkler, insurance and financial house of Vancouver. Frank Parsons and Brenton S. Brown are principals in the group. A few days prior to that sale the high record for a transfer of seat ownership stood at $11,000. Several Toronto firms are said to be negotiating for seats. Ten months ago the price was $500.

### Ottawa to Make Enforcement Commencing with Tax Year 1927

**MACHINERY IS READY**

### Brokerage Firms Are Compelled by Law to Make Return Showing All Transactions

From Our Own Correspondent

OTTAWA.—Profits made in speculation on grain and stock markets are to be subjected to income tax commencing with the tax year 1927. This decision was made public this week by the head officials of the income tax branch of the National Revenue department at Ottawa and a complete summary of the department's policy will appear shortly in the monthly magazine issued by the department.

The first public announcement of the new policy was made briefly in The Financial Post last week.

It is estimated that upwards of $50,000,000 annually is made in this way and the department should net at least $5,000,000 in revenue annually. Of course all losses sustained in trading will be deductable from income and this may reduce by a considerable amount the tax now being paid by high salaried men.

**Elliott Wins Case**

For some years the department has been considering the advisability of taxing profits from speculation and the policy now announced is the direct outcome of a decision handed down in the Exchequer court, in a case in which C. Fraser Elliott, chief counsel for the Income Tax branch won over two of the ablest lawyers of the middle west. Mr. Elliott has broadened the field of income tax very materially in recent years and it is entirely due to his mastery of the Federal law that the present policy has been made possible.

The case before the Exchequer court concerned a comparatively trivial matter, although the principle involved was of the greatest importance. Allan Morrison, of Morrison and Kelly, a grain broker firm operating on the Winnipeg Grain exchange appealed from his 1922 assessment. During that year Mr. Morrison had bought and sold grain a great many times. These transactions were carried on with his firm, but Mr. Morrison dealt with his company just as any other private individual would do. He paid the usual brokerage charges which were allowed in income statement of the company, and he furnished the necessary margins to carry out his purchases. The question involved in his appeal was whether or not he was taxable on the profit from his market speculations. Mr. Elliott held strongly that he was and finally the case was referred to the Exchequer court, where it was argued at great length. Mr. Elliott appeared for the crown and Hugh Phillipps, K.C., of Winnipeg, for Mr. Morrison. A. E. Hoskin, K.C., also of Winnipeg, appeared before the court for the Grain Exchange.

**Quoted British Precedents**

In due course the court handed down a decision and it is on this decision that the present policy is based. The act states that a man is taxable on income derived from a "scheme of profit making," and the important feature of the judgment is that it is decided that a man may have more than one scheme. He may be a high salaried lawyer and his law practice would be one scheme. He may speculate also, and if his speculations are numerous and his profits considerable, then this too is a scheme, and he is taxable on profits derived therefrom.

Mr. Elliott acquainted the court with several similar cases in Great Britain where such profits are taxed and these precedents appear to have carried considerable weight.

Upon reviewing the Canadian statute the court declared that, "The net is thrown with all conceivable wideness to include all bona fide profits or gains made by the subject."

And again: "I find that the appellant became liable to taxation upon his profits and gains realized in this particular and continuous course of business or pursuit, as a standing commercial practice, in buying, and selling this commodity for profit. . ."

The appeal of Mr. Morrison was dismissed.

Having made good the principle in regard to grain, the department next considered widening it to include all speculation and finally decided to enforce the tax in the larger sense for the year just past. It is explained that the department now possesses all the necessary machinery to check up on income statements. Each brokerage firm is compelled by law to make a return showing all transactions and the profit or loss derived therefrom.

## BESCO MUST FACE THREE PROBLEMS IN NEAR FUTURE

### Litigation with National Trust Company Must be Settled

**NEEDS WIDER MARTS**

From Our Own Correspondent

MONTREAL. — Three problems face the new management of the British Empire Steel Corporation. First, the litigation with the National Trust Company must be settled. Second, the corporation must find larger markets, and lastly operating costs must be reduced. All factors appear to indicate that the present management should meet with a measure of success in facing these dificulties.

The National Trust Company acting for the bondholders of the Dominion Iron have obtained a court order liquidating the Dominion Steel Corporation. The liquidation of this Besco subsidiary is being held up pending the appeal to the Privy Council. One of the chief reasons why the National Trust Company asked for the liquidation was because the Dominion Steel had guaranteed one of the bond issues of the Dominion Iron and Steel Company; this guarantee, the parent corporation, the Dominion Steel Corporation, has been unable to meet.

In the meantime, the new interests behind Besco have purchased most of these bonds and thus the bondholders are not pressing the Dominion Steel Corporation to carry out its guarantee.

**Reorganization Likely**

Probably, the Holt-Gundy interests will arrive at a satisfactory understanding with the trust company acting for the bondholders of the Dominion Iron. It seems reasonable to presume that the new management will shortly consummate some reorganization which will lift the steel properties out of the hands of the receivers.

The problem of wider markets is one which has long handicapped the operations of Besco. The ramifications of the Holt-Gundy interests are so wide in Canada that there can be little doubt that the corporation will undoubtedly now obtain a more than substantially enlarged domestic market. In the past, the Steel Company of Canada has been doing a successful business while Besco and Algoma Steel obtained only the crumbs which fell from the rich men's tables. For the future, Besco will obtain a much greater proportion of the domestic steel business offering.

Another outstanding problem which has long stood in the path of the corporation's progress has been its high production costs both in coal and steel. An expenditure of many millions of dollars would undoubtedly allow the Nova Scotia coal and steel industry to produce on a lower cost basis, but new capital is just about the last thing that Besco would have been able to acquire over the past few years. With the entry of the new interests into the Besco picture, there can be little doubt that a reorganization will be formulated which will put a capitalization on the industries more in line with their earning power and allow for financing in the future.

The immediate hope, of course, of Besco is that a larger measure of consideration will be given the steel

(Continued on page 2)

## Quebec Public Utilities Want Taxes Removed

### Representatives of Seven Leading Quebec Power Corporations Proceed to Ottawa to Plead for Cancellation of Income Tax

From Our Own Correspondent

MONTREAL.—Representatives of seven leading Quebec power corporations are journeying to Ottawa this week to lay before the Dominion government a plea that the income tax on Quebec public utilities be removed entirely. Sir Herbert Holt will represent personally the Montreal Light, Heat & Power Co., while important executives will be present from the Southern Canada Power; Quebec Railway, Light, Heat & Power; Quebec Power; North Shore Power; Electric Service Corp.; and the Beauharnois Electric Co.

These seven companies represent 286,855 customers who in 1926 paid income tax of $864,132, which amounts to something like $3 per customers. These companies cover 90 per cent. of Quebec power consumption. The companies have signed a representation that any reduction in the tax, which would put them on a more equal competitive basis with publicly-owned companies in Ontario, will be passed on in its entirety to consumers of power in Quebec.

The delegation will be supported by representatives from the City of Montreal; the Montreal Chamber of Commerce; the Board of Trade.

**Vancouver Has Plenty of Money for Mortgages**

From Our Own Correspondent

VANCOUVER.—Vancouver is enjoying an unprecedented competition among lending companies to place money in mortgages.

It is admitted by British Columbia representatives of life insurance companies, savings and loan companies, and others that good mortgages in Vancouver are hard to get and that their funds available for investment are always largely in excess of the demand.

Some companies—not the stable, conservative type—are said to be lending up to 85 per cent. of the value of residential property. Sixty per cent. is the maximum set by the larger responsible companies.

The ruling rate is between 7 and 7½ per cent. for residential property, although in a few instances less than 7 per cent. is charged.

On business property mortgages are being placed at about 6 per cent.

# Besco's New Arbiter Sees Far; Plans Well; Product of New Era

## C. B. McNaught is Able to Get Down to Fundamentals

### BUSINESS ENTHUSIAST

### He is Likely to Become Interested in Problems Just as Others Are in Recreation

C. B. McNaught makes his business plans apparently as an architect plans a house. Therein he differs from many other business planners, whose foresight is equivalent to the foresight of the parent who made eleven additions to his house as there were eleven additions to his family. C. B. McNaught, it is said, sees farther and consequently is able to plan farther than the average business man.

The foregoing is the opinion of a Canadian executive who has watched with critical and friendly interest the career of the man who has been chosen as the one most likely to make a success of the heretofore woefully unsuccessful British Empire Steel Corp. and its subsidiary coal and steel enterprises. From the same source comes other information based on observation of a career that has been as unobtrusive as it has been markedly successful.

**Is Always Working**

C. B. McNaught is one who seldom seems to be working, yet probably always is working. It has been said that he possesses in great degree what is known as the business mind. He is interested primarily in business—not in the petty details which kept executives of an older generation chained to their desks; not merely in the details of broader policy concerning his own business—but rather in business in general. He is as likely to become as keenly interested in a business problem which does not directly concern him as many another man is interested in the net scores of golf professionals.

One fancies that it is this interest in general which first brought the Besco situation to the attention of Mr. McNaught. Here in the Maritime provinces was one of the most intricate business problems ever encountered; here likewise was a problem of profound national importance and of political significance. It could not fail to interest a man whose interest was business and to whom business problems were fascinating. Without, possibly, there being any thought that he might be called upon to put into practice his own ideas on the matter, it is probable that the new president of Besco some time ago formed some tentative conclusions as to what was needed for the industry and country as regards Besco.

**Gets Down to Fundamentals.**

This last, of course, is just a surmise. Perhaps Mr. McNaught long ago picked the job and perhaps he is entering upon it without any definite ideas as to what needs to be done. Perhaps it will be better for the job if he has not so far formed even tentative conclusions. But his friends say that within a comparatively brief time he will have formed conclusions, adopted policies and given his orders.

It is said of Mr. McNaught that he is able to get down to fundamentals quickly to the disregard of extraneous details; it is said, further, that he is adept in the choice of lieutenants; is content to make the plans and leave the carrying out of the plans to subordinates; and is more of a company operator than a financial man whose aim is to make money out of the appreciation in the market value of a company's securities.

**Product of New Era**

The new president of Besco typifies as much as anyone in Canada the trend in business which has become apparent in the last quarter of a century. Twenty-five years ago the business executive was a company manager who felt his job to be that of a time-keeper, foreman, head bookkeeper, cashier, building superintendent, and sales manager all rolled into one. There were one-man businesses in those days and in view of the versatility which one-man businesses require, there was amazing progress and prosperity. But times have changed. Business is beyond the one-man stage and the most successful business man is the one who is most successful in delegating tasks and authority from a well-ordered brain. C. B. McNaught is that type.

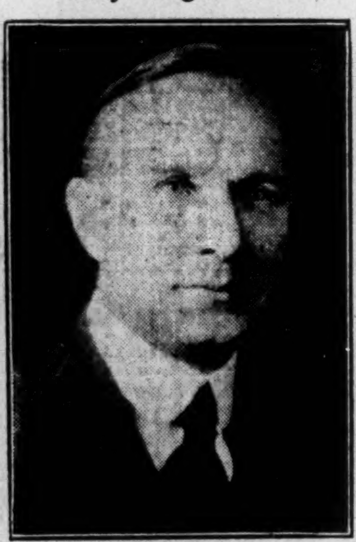
C. B. McNaught began his business career about thirty years ago as a junior in the office of an insurance broker. Today his firm of Reed, Shaw & McNaught is reckoned among the most successful in that line of business. In addition, the new Besco chief is a director of the Royal Bank and of a dozen companies of importance.

**An Earlier Job**

One of the earlier jobs which was Mr. McNaught's, and one in which he, associated with one other person, was conspicuously successful, was the rejuvenation of City Dairy Co., Toronto. City Dairy, it will be recalled, was not a money-maker a decade ago. Mr. McNaught took over the presidency and W. J. Northgrave, became general manager. The change in the financial policy which has resulted in a company of impregnable financial strength was probably the result of the planning by C. B. McNaught and the execution by Mr. Northgrave. City Dairy now is paying $1 in dividends on its common stock for every 6¼ cents it paid in 1911.

Charles Boyd McNaught, born on April 14th, 1877, was the son of W. K. McNaught and Caroline McNaught. The father was a successful business man and was associated with the late Sir Adam Beck in early Hydro development. The son's formal education ceased with graduation from the Jarvis collegiate, Toronto, from which he embarked upon his career in the insurance business.

**Buys Big Firm**



STANLEY JOHNSTON, head of the Montreal financial firm of Johnston and Ward, which recently purchased C. W. Lindsay, Limited, Montreal, long-established music firm. In the neighborhood of $3,000,000 was involved in the

## M. DESBRESAY IS NEW CZAR B.C. FISHERIES

(Continued on page 2)

was appointed arbiter with the final say in all matters.

**80 Per Cent Agree**

To date only three operators have failed to enter into this agreement. British Columbia Fishing and Packing Co., Gosse Packing Co., and the Canadian Fishing Co., representing 80 per cent. of the industry, have given their unqualified support and approval to the agreement.

Briefly this agreement sets forth the conditions under which the industry will be conducted for the next three years. The fishing waters have been divided off into 17 areas, covering all boundary waters within three miles of the shoreline. These sections or areas will be distributed among the fishermen. There will be a definite allotment in each instance and penalties will be imposed when a fisherman operating outside his own area.

One of the finest things about this agreement is the voluntary reduction in the number of licenses to be issued. The Government has long been working toward this end but has been able to achieve but little. Instead of 12,000 or more licenses being issued, as was the case last year, only 3,167 will be issued for 1928. Further more, the operators have bound themselves not to buy from independents and also will not buy from the fishermen working for other companies. This last has been the source of considerable friction between the different operators.

In the last few years there has been a wild splurge of expenditure on new gear and equipment. Under the terms of the agreement, the amount of gear to be used is limited. The reduction in this instance is graphically illustrated by the following table showing gear used in 1927 and that proposed for 1928:

| | 1927 | 1928 |
|---|---|---|
| Nets | | |
| Purse Gill ..... | 659 | 236 |
| Drag Seines ... | 46 | 21 |
| Gill .......... | 3905 | 2910 |

Future expansion of any individual company or operator is also taken care of through regulations which outline the amount of new gear which can be placed in use.

**$1,000 Bonds**

Full authority for the working of this mutual agreement is placed in the hands of Mr. Merrill DesBrisay. A bond of $1,000 has been put up to each cannery to see that the regulations are abided by. Expenses of the commission will be equally distributed. In case of disputes, the decision of Mr. DesBrisay will be final. Fines imposed will be taken from the general fund and debited against the offender's account.

Needless to say those who have signed this pact, and they represent practically the entire industry, believe that it will be of the utmost value in putting the industry on a sound basis. Limiting the amount of gear to be used and elimination of financial assistance to fishermen will result in great savings. One company alone estimates that it will be able to save over $400,000 a year in operation expenses. To others the savings will be proportionately great and if the operators live up to their agreement fishing in British Columbia waters should prove more profitable than it has in the past few years.

## HAYES WHEELS IS EXPANDING ITS ACTIVITIES

### O. & W. McVean, of Dresden, Has Absorbed One Subsidiary Company

Expansion of activities of Hayes Wheels and Forgings, Ltd., is proceeding apace. It has been recognized by the management for some time that the best results could not be obtained as long as the company was closely allied with the automobile industry. The possibility of a price war among the motor car makers has further strengthened their decision to branch out into other lines.

To this end O. & W. McVean, Ltd., of Dresden, has absorbed the business and taken over the machinery of the Victoria Wheel Co., of Galt. Both of these are subsidiaries of the Canadian Hardwood Co., which is in turn a subsidiary of Hayes Wheels & Forgings. The McVean company has also completed the placing of additional machinery and the rearranging of its buildings. It has a promising number of orders in sight for 1928 and is in excellent condition to fill them to the best advantage. The company manufactures carriage and wagon wheels, poles, shafts, automobile top bows and miscellaneous bent goods.

Furthermore, Hayes Wheels has formed a new subsidiary known as the General Rubber Goods Co., which is taking over the factory of the Victoria Wheel Co., at Galt. The operations of the Victoria Wheel Co. are being transferred to the plant of another subsidiary of Hayes at Dresden, Ontario.

General Rubber Goods Co. has installed a large plant for reclaiming used rubber, and will manufacture practically all kinds of rubber goods except auto tires and casings. It will specialize in sheet rubber products, such as bathing caps, aprons, gloves, etc. Fabric for automobile tops will also be made. An arrangement has been made with the Kleinert Co. of the United States whereby the company will manufacture that concern's rubber specialties on a cost-plus basis.

It is expected that this new subsidiary will add materially to Hayes profits after the first year of operation.

All the other plants of Hayes Wheels & Forgings, Ltd., are normally employed and are looking forward to a prosperous year in 1928.

### Mayor Building, Montreal Has Leased 55% of Space

About 55 per cent. of its available space has already been leased by the Mayor Building, Montreal, at rentals greater in every case than those estimated in the prospectus of the 6½ per cent. first mortgage bonds, placed on the market by McLeod, Young, Weir & Co.

Rentals from leases already signed are sufficient to take care of sinking fund and interest requirements. Negotiations are under way for the leasing of two whole floors and there is some possibility that the Bell Telephone Co. will take additional space. There is little doubt that the building will be entirely rented by May 1st, which is the great moving day in Montreal.

The restaurant on the ground floor is now open for business. It has been attractively decorated, and is under the management of a former manager of the well-known Montreal restaurant of Krausmann's.

## BESCO MUST FACE THREE PROBLEMS IN NEAR FUTURE

(Continued on page 2)

of opinion is that the government will grant further consideration to the industry, either by way of bettered tariff or by way of bonuses.

As soon as the change in the management took place, all sorts of rumors immediately began to fly around regarding future developments by Besco and its constituent companies. It was said that $15,000,000 would immediately be spent at the Sydney steel works and that Montreal Power would lease some mines from Dominion Coal to supply its gas plants. Rumors of this kind are without foundation because the new interests have not been controlling the destinies of the corporation long enough to formulate new plans. There can be little doubt that over the next year or two, there will be big developments in the Besco drama, which will include the taking of Dominion Iron out of the hands of the receiver and probably the expenditure of large sums in increasing the efficiency of the plants, but as yet it is too early to forecast along just what lines these developments will take place.

Evidently the first step in the Besco reorganization will be a complete survey of the undertaking, including physical assets, production costs, marketing conditions, and so forth, as a preliminary to determining the value to be placed on the fifteen or more classes which make up the present capital structure. This is considered necessary before a plan of reorganization can be submitted to the shareholders.

As to when this reorganization will take place, the general opinion seems to be that on account of the many details that must be worked out, nothing definite will be done for many months.

## SEE LITTLE NOW TO JUSTIFY RISE MARCONI STOCK

(Continued on page 2)

at at least the same rates that are now being charged by telegraph companies.

The company is also about to open its new beam service between Australia, Canada and the United States, which is another potential source of earning power for the company.

Perhaps one of the factors to be considered by purchasers is that there is comparatively little of the stock in the hands of the public, although it is listed in London as well as on the New York Curb.

Of the authorized capital of $7,500,000 shares which consists of 7,500,000 shares of $1 par value, there are only 4,554,682 shares outstanding, of which 2,500,000 shares are tied up through the medium of a holding company called the Canmar Investment Co., which holds the stock for a period of something like 25 years. The control of this holding company is vested in the British Marconi interests, and Lazard & Co. Last year there were only 3,380,642 shares outstanding, but during 1927, the 1,174,000 additional shares were sold to finance the construction of the new Beam development, money for which had been advanced by the British company.

### Amity Fire Accelerates Order for New Plant

The fire which destroyed Amity Copper mine plant at Boston Creek camp, took place, it might be said, just as General Manager Scrivens was about to dip his pen in the ink well to sign the order for a new electrical-driven plant. The fire had the effect of clearing out the old plant in a hurry. It is true that the company might have continued with the old inadequate plant, but the fire will force them to speed up in getting the new plant ready, so that in the final analysis the actual loss in footage will be negligible.

### Ross Island to Have New Fishmeal Plant

From Our Own Correspondent

GRAND MANAN, N.B.—Construction of a fishmeal plant on Ross Island, opposite Grand Harbor, has been practically decided upon, it has been learned. C. W. Kendall, of Halifax, arrived here recently in the interests of this plant, which he proposes to build. The island in question contains about 300 acres and is considered sufficiently isolated for an enterprise of this kind.

Fishmeal is considered a valuable commodity, sells for $90 a ton and is in great demand in England and Germany. It is said that the supply is never equal to the demand. It is felt that the plant will prove a valuable addition to the fishing industry of the islands. If the plant materializes, the fish waste, which is a source of annoyance and menace to health during the summer months, will be converted into a saleable and profitable commodity.


**The SHERIDAN NURSERIES** Limited

- - Offer - -

CANADIAN GROWN

Evergreens, Trees, Shrubs, Perennials, Alpines, Vines, Roses

4 St. Thomas St., Toronto 5

Nurseries 260 Acres CLARKSON, ONT.



*Be careful when investing*

Get dependable information in regard to your contemplated investments.

The manager of our nearest branch can secure complete and valuable information for you through the Bond Department of this Bank. It is operated solely to give helpful investment service to the bank's customers.

THE DOMINION BANK

Established 1871

92

*Ask the local manager about a safety deposit box. The protection is worth many times the rental.*



PERFECTLY ADAPTED TO LOCAL CONDITIONS

The Bank of Montreal has a provincial and local organization which provides a personnel and service perfectly adapted to local conditions.

No matter how large or how small a customer's transactions may be, he will always find the service of the Bank of Montreal fully responsive to his needs.

BANK OF MONTREAL

Head Office Montreal

Established 1817

Total Assets in excess of $830,000,000



The Weyburn Security Bank

*Chartered by the Act of the Dominion Parliament*

TWENTY-SEVEN BRANCHES IN SASKATCHEWAN

HEAD OFFICE - WEYBURN, SASK.

DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; M. A. Miller, Weyburn, Sask.; S. E. Oscarson, Fargo, North Dakota; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.

A General Banking and Foreign Exchange Business Transacted.


# Joseph E. Seagram & Sons

LIMITED

DISTILLERS

WATERLOO, Ontario, Canada

February 2nd, 1928.

To the Shareholders of Joseph E. Seagram & Sons, Limited.

Gentlemen:

The directors of your company have received an offer to which they have given fullest consideration for the acquisition of the shares of your company by a new company to be formed under the auspices of Distillers Company of Canada, Limited, for the purpose *inter alia* of taking over the shares of your company and those of Distillers Corporation, Limited.

They are of opinion that it would be in the interest of the shareholders to accept this offer. Full discussions of the relative position of both companies have taken place and an investigation of the balance sheets has been made by Messrs. Edwards, Morgan & Co., the auditors of your company. The position of both companies as to plant, stock and earning power has been carefully considered. The basis of the offer substantially is as follows: Distillers Company of Canada Limited, agrees to form a company under the name of "Distillers Corporation-Seagram Limited" (or such other name as may be granted by the Secretary of State) with an authorized capital of 2,000,000 shares of no par value and to exchange shares of this new company for your shares share for share. The new company will also acquire all the shares of Distillers Corporation Limited, share for share. The total capital of the new company involved in these transactions will amount to 1,500,000 shares, leaving in its treasury 500,000 shares.

One part of the arrangement which your directors deem advantageous to the shareholders of Joseph E. Seagram & Sons Limited is that the shareholders of your company who deposit their shares will have the right, up to 16th April, 1928, if the agreement herein mentioned becomes effective, to purchase from the shareholders of Distillers Corporation Limited at the price of $10.00 per share one share of the new company for every two shares of the Seagram Company. Your directors consider that the proposed amalgamation of interests will bring considerable benefits to both companies.

It is proposed that the President of the new company will be William H. Ross, Esq., Chairman and Managing Director of the Distillers Company Limited, Edinburgh, Scotland.

Distillers Corporation Limited has an agreement with the Distillers Company Limited, Edinburgh, Scotland, conferring great advantages, included in which are the exclusive rights in Canada to the following well-known articles and brands, viz:

| | |
|---|---|
| Burnett's and Vickers' .......... | Gins |
| Sandy MacDonald .............. | Scotch Whiskeys |
| Old Parr .................... | Scotch Whiskeys |
| Peter Dawson ............... | Scotch Whiskeys |
| Green Stripe ................ | Scotch Whiskeys |
| Gillon's King William IV......... | Scotch Whiskeys |
| Thompson's G.H.L. ........... | Scotch Whiskeys |
| Old Mull .................... | Scotch Whiskeys |
| King George ................. | Scotch Whiskeys |
| Humphrey Taylor's ............ | Liqueurs |
| Mitchell's ................... | Irish Whiskey |

Distillers Corporation Limited own amongst other products the well-known brands of Old Log Cabin Bourbon and Golden Wedding American Rye Whiskey, both of which have large sales.

The plant of Distillers Corporation Limited is situated in Montreal and is one of the largest, most modern and best distilling plants in existence, with a capacity of over 3,000,000 gallons per annum, and holds large stocks exclusively matured in wood.

The comprehensive lines mentioned above combined with the brands of the Seagram Company should place the new company in an outstanding position.

In addition to the foregoing the benefit of laboratory experimental and other departments of the Distillers Company Limited, Edinburgh, Scotland, which have been developed over a century, will be at the new company's disposal.

As the terms of the offer were satisfactory to your directors they have thought it desirable to embody them in an agreement made between the Distillers Company of Canada Limited, of the one part and five of your directors of the other part so that all of the shareholders of the Seagram Company who are satisfied with its terms may be in a position to ratify it so far as their respective holdings are concerned and in that way become entitled to take the benefit of it.

A printed copy of the agreement is enclosed and you will see that in order to ratify the agreement you must do so in writing and sign the ratification form also enclosed and return it with your certificates of shares duly endorsed in blank to The Royal Trust Company, 59 Yonge Street, Toronto, *not later than 4.00 p.m. on the 1st day of March, 1928.*

As each shareholder deposits his certificates duly endorsed in blank with the ratification form signed by him, The Royal Trust Company will issue to him a negotiable certificate of deposit in such form as it deems proper.

The agreement, however, does not become effective unless it is ratified by the holders of 67% of the shares of the Seagram Company. You are under no obligation to ratify the agreement, but if you abstain from doing so you will be excluded from the benefit thereof.

If and when the agreement becomes effective The Royal Trust Company will issue to the depositing shareholders negotiable share purchase warrants in such form as it deems proper entitling them to purchase on or before 16th April, 1928, additional shares of the new company at a rate of $10.00 per share on the basis of one share of the new company for every two shares of the Seagram Company deposited. If the agreement does not become effective as therein provided no share purchase warrants will be issued and The Royal Trust Company will deliver to each registered holder of a certificate of deposit on surrender thereof a certificate for the relative number of shares in the Seagram Company.

Your directors think it desirable that all the shareholders should ratify the agreement and they intend to do so in respect of the shares held by them individually.

If you desire to ratify the agreement will you be so good as to sign the form of ratification enclosed and return the same with your certificates of shares duly endorsed in blank in the enclosed stamped envelope to The Royal Trust Company, 59 Yonge Street, Toronto 2.

By Order of the Board.

W. A. LORIMER,

*Secretary.*

# Union Trust Company

LIMITED

HEAD OFFICE AND SAFE DEPOSIT VAULTS

Richmond and Victoria Streets - - TORONTO

BOARD OF DIRECTORS

*HENRY F. GOODERHAM, President* — *J. H. McCONNELL, M.D., Vice-President*

*MARK BREDIN* — *WALTER C. LAIDLAW* — *S. R. PARSONS*

*J. B. LAIDLAW* — *A. P. TAYLOR* — *W. HARLAND SMITH* — *H. H. BECK*

*C. D. HENDERSON, General Manager.*

**Twenty-seventh Financial Statement being for the Year Ended December 31st, 1927**

CAPITAL ACCOUNT

| Assets | | Liabilities | |
|---|---|---|---|
| Mortgages, and sale agreements | $1,168,794.23 | Capital Stock, fully paid | $1,000,000.00 |
| Bonds and Stocks | 202,961.52 | Reserve Fund | 600,000.00 |
| Loans on Collateral | 57,554.23 | Dividend Payable Jan. 3rd, 1928 | 17,500.00 |
| Real Estate | 182,921.50 | Bonus 1% Payable Jan. 3rd, 1928 | 10,000.00 |
| Other Assets | 214,535.55 | Taxes and Other Liabilities | 72,702.56 |
| Cash on hand and in Banks | 24,885.89 | Profit and Loss | 151,450.36 |
| | $1,851,652.92 | | $1,851,652.92 |

GUARANTEED TRUST ACCOUNT

| | | | |
|---|---|---|---|
| Mortgages on Real Estate | $3,999,081.34 | Trust Funds for Investment | $3,031.489.15 |
| Victory, Municipal and other Bonds | 498,971.11 | Trust Deposits | 1,433,864.52 |
| Cash on hand and in Banks | 114,716.69 | Capital Account | 147,415.47 |
| | $4,612,769.14 | | $4,612,769.14 |

ESTATES, TRUSTS AND AGENCIES ACCOUNT

| | | | |
|---|---|---|---|
| Funds and Investments | $ 7,930,435.29 | Estates, Trusts and Agencies | $ 7,930,435.29 |
| TOTAL | $14,394,857.35 | TOTAL | $14,394,857.35 |

PROFIT AND LOSS ACCOUNT

| | | | |
|---|---|---|---|
| Quarterly Dividends | $ 70,000.00 | Balance brought forward December 31st, 1926 | $ 123,567.16 |
| Bonus 1% Payable Jan. 3, 1928 | 10,000.00 | Profits for 1927, after providing for cost of management, Directors' and Auditors' fees | 127,488.73 |
| Written Off Safe Deposit Vaults | 4,740.00 | | |
| Taxes and Fees, Dominion, Provincial and Municipal | 14,865.53 | | |
| Balance forward | 151,450.36 | | |
| | $ 251,055.89 | | $ 251,055.89 |

To the Shareholders of the Union Trust Company Limited

We have audited the books and accounts of the Union Trust Company, Limited, at the Head Office in Toronto and Branch Office in Winnipeg for the year ended December 31st, 1927, and certify that the above statements of Assets and Liabilities and Profit and Loss are in accordance therewith.

We have verified the securities and the bank and cash balances by actual inspection or by certificates from the depositories. The trust funds and investments are kept separate from the Company's own funds and investments and are shown on the books as belonging to the trusts, estates and agencies.

We have formed an independent opinion as to the position of the Company and, according to the best of our information and the explanations given us, certify that the foregoing statements set forth fairly and truly the state of affairs of the Company. All transactions of the Company which have come within our notice have been within the powers of the Company.

Toronto, January 20th, 1928

A. B. BRODIE, C.A.
D. McK. McCLELLAND, F.C.A. } of the firm of PRICE, WATERHOUSE & CO.


After all—Experience is Important

If you have a financial or business problem, you may be sure that this Bank many times has helped its customers solve just such a problem—in its four generations of experience.

*This Bank solicits Business Accounts.*

THE BANK OF NOVA SCOTIA

Established 1832

Capital, $10,000,000. Reserves, $19,500,000.

Total Assets, $245,000,000.

# ANALYSIS GIVEN ON "BRAZILIANS" BY FLOOD, BARNES

## Those Who Study Situation Think That Shares Are Sound

## OPTIMISM PREVAILS

### Property Account Increased to $140,701,000 and Funded Debt Reduced $3,300,000

**From Our Own Correspondent**

MONTREAL.—While many investors are wondering whether or not the "cream" has been taken off the shares of Brazilian by the substantial appreciation of the stock over the past two years, those who make a study of the Brazilian situation feel that the shares still remain one of the outstanding and soundest opportunities for obtaining a capital appreciation.

This opinion is voiced by the investment house of Flood, Potter & Co. in a timely analysis prepared and published by the statistical department of the firm. The analysis is ably prepared and provides the investor with an accurate bird's eye picture of the company and its potentialities for the future.

Of the Brazilian Traction, Light and Power Company, the analysis says in part:

Brazilian Traction, Light & Power Company is purely Canadian in conception, and since its incorporation in 1912 as a consolidation of the three public utility companies operating in Rio de Janeiro and Sao Paulo, has shown the first requisite of a utility company—expansion. Its traction lines include 425 miles of tramways, as well as an electric railway and buses serving an area of 113 square miles, and a population of over 2,100,000. In the ten years from 1916, the number of passengers carried was more than doubled, and this figure is now over twice that of the Montreal Tramways Company.

From 1917 to 1927, the power output of the company was exactly doubled, while in the same period, that of Montreal Power rose only about 25 per cent. The number of the company's power customers has, for many years, been greater than that of Montreal Power and has increased at a faster rate the last seven years, showing a growth of 50 per cent. for the Company against 34 per cent. for Montreal Power.

**Hydro-Electric Plants**

The installed capacity of the company's six hydro-electric plants, stra-1916, when the Civic Investment and greatest potential demand, is 337,000 h.p., with a potential development of 850,000 h.p. In addition, the Company maintains two reserve steam plants for use in case of emergency. The latest hydro-electric development is that of Cubato Station of the Sao Paulo Tramway, Light and Power Co. Limited. This is the largest hydro-electric development in South America, and the present installation operates two 40,000-h.p. units under a head of 2,370 feet. The ultimate capacity of this plant will be in the neighborhood of half-a-million h.p., or sufficient to meet the needs of Sao Paulo, its port, Santos, for many years to come.

In 1914, the gas division of the Brazilian Traction had 25,604 customers, while Montreal Power had 90,148. By 1926, the Brazilian figure had increased to 83,677, or more than three and a quarter times (325 per cent.) the earlier figure, while in Montreal, the number had only risen to 144,201, or, roughly, 60 per cent. In the same period, the consumption in Brazil had doubled itself.

In 1912 there were only 10,161 telephones connected with the Brazilian system, but by 1926 this number had increased more than eight times. Comparative figures between Bell Telephone and Brazilian show that from 1915 to 1926, Bell Telephone subscribers increased rather less than three times, while the number of Brazilian subscribers became nearly four times as great.

**Territory Hardly Scratched**

A feature of this business of the Brazilian Telephone Company, the name of the subsidiary operating the telephones, is that, in spite of these substantial increases, the possibilities of the territory have hardly been scratched.

The capital structure of the company particularly favors stock investors in that it has no bonds. There is at present outstanding $67,692,706 of funded debt of subsidiary companies. The capital structure of the company includes $10,000,000 of cumulative preferred stock which is convertible on a basis of six shares of preferred for five shares of common. In the final analysis, it is the earning power of a corporation which determines the value of its common stock. Brazilian Traction has shown an annual increase in earnings every year for the last seven years in spite of the depreciated currency of Brazil.

**Post-War Difficulties**

A solution to the post-war difficulties which arose in connection with the currency has now been arrived at and the milreis is now stabilized. In the opinion of the majority of exchange bankers having experience in South American currencies further inflation of the currency is unlikely. On the contrary, it is predicted in many influential quarters that within the next few years we shall see a rise in the dollar value of Brazilian currency, especially as the lowness of the present rate has not resulted in the increased trade expected of it.

During the last decade the Canadian dollar earnings of the Company have been doubled, and for 1927, figures just published show an increase of $301,508 in net earnings over those of a year ago. This is in spite of the drop in the value of the milreis which occurred before it was finally stabilized. Investors will readily realize that should the milreis, now stabilized at a little under 12 cents, again reach parity (32.4 cents), the earnings of the company will mount at a fabulous rate. Neglecting this possibility, and basing calculations only upon the stabilized currency, the earnings of the company available for dividends in 1928 should be not less than $12,245,000, or $2.50 per share. At this rate of progress, in another two years' time, earnings will not unlikely range around $17,000,000 to $18,000,000, or in the neighborhood of between $3.50 and $4 per share of new stock.

The most remarkable thing about the company is the way in which its property account has grown in the last seven years. The fixed policy of ploughin ; back earnings has had its usual beneficent effect. In 1920, fixed assets stood at, roughly, $89,250,000, and by the end of 1926 this figure was up to $140,701,000. In this period the funded debt had been reduced $3,300,000, without change in the capital structure of the company or in the number of shares outstanding.

**Population Question**

In Canada, we are so occupied by the continuous growth in the population, industries and revenue of our country, that the fact is often overlooked that Brazil, which is a country larger than the United States of America and almost as large as Canada, is increasing its population even more rapidly. In the last quarter of a century, when the Canadian population has increased from a little over 5,500,000 to 9,250,000, the Brazilian population has more than doubled itself, and now stands at over 36,000,000. Rio de Janeiro, with a population of a little over 1,100,000 in 1920, has today more than 1,600,000 as against 907,500 for Montreal, which it resembles in many ways as being, equally with it, the largest port in the country, the headquarters of the financial interests, and the site of numerous industries.

The future of Brazilian Traction is very definitely tied up with the future of the country. Before the war North America had experienced a decade or more of rapid expansion in the growth of its utility systems, but the countries to the south were only beginning to follow when the advent of the Great War effectively put a stop to their progress. For years the South American countries were at a standstill because their great markets were closed to them. Now, however, rapid progress is being made. The trade and the credit of all the South American countries has improved enormously in the course of the last five years, and the return of the prosperity, which the war interrupted, is well on its way.

The investor who reaps the greatest benefit from his capital is the one who is willing to contribute money, patience and thought to his investment. An investor who gives to the Brazilian Traction situation the amount of thought which has been expended in obtaining and collecting these facts for your information, will, we do not doubt, come to the same conclusion as ourselves, that it presents one of the soundest opportunities for capital appreciation available to investors for a very long while.

**Regrets Not Likely**

It is interesting to recall that in 1916, when the Civic Investment and Industrial Company common was offered to Canadian investors, many were met who averred that "the cream was off the Montreal Power Situation." Time has proved otherwise, and we do not doubt that those who have taken their profit in "Brazilian" for similar reasons will yet regret their shortsightedness in so doing.

Undoubtedly the buyer of "Brazilian" in the days of war and depression will be rewarded to an even greater degree for his foresight and courage than the investor to-day. Nevertheless, it will be a question of degree only, and an investment in this first-class investment stock at current prices should bring a handsome reward to its patient holders.

## Lists in Post Give Idea of Activities

An idea of the increase in stock exchange activity in Canada in the last year is gained from the fact that there are 118 more stocks listed in The Financial Post tables of listed and curb stocks in January, 1928, than there were in January, 1927. There were 394 stocks quoted in the tables in the last week in January, 1927, compared to 512 stocks mentioned in the last week in January, 1928.

In this period mining stocks have increased in number from 101 to 148, while all other stocks have increased from 293 to 364.

The increase in the total is just a shade under 30 per cent.

# PEOPLE'S LOAN SHOWS PROFIT FOR YEAR 1927

## Earnings Are $29,302 Net —Premier Trust Does Well Also

Annual report of People's Loan & Saving's Corp., London, shows profit of $29,302 net, after taxes and all other deductions, compared with $29,456 the previous year. This is at the rate of 5.9 per cent. on capital of $500,000. Dividends of 5½ per cent. are being paid. Total assets have grown in the year from $1,206,637 to $1,446,470. Debentures and deposits have grown from $604,984 to $842,015, although the carrying on of this company's business was affected for a time during the year by a fire which compelled the company to find new quarters temporarily. The reserve fund remains at $100,000.

Premier Trust Co., affiliated with People's Loan, had a profit of $9,942 in the year after taxes and all other deductions, compared with $8,565 the previous year. This is 5.8 per cent. on the paid up capital of $170,000, compared with 5.3 per cent. on the paid up capital of $160,000 a year ago. Total assets have grown from $1,063,499 to $1,266,255. Mortgages are up from $175,927 to $187,458. The guaranteed trust account is up from $142,479 to $175,981 and the estates, trusts and agency accounts have increased from $745,091 to $902,816.

The following tables show the position of these two companies in the last several years:

**Rate of Earnings**

| Year | | Paid-up Capital | Profits | Earned % | Dividend |
|---|---|---|---|---|---|
| 1913 | .... | $438,238 | $28,218 | 6.5 | 6 |
| 1914 | .... | 451,873 | 30,176 | 6.7 | 6 |
| 1915 | .... | 463,621 | 29,840 | 6.5 | 6 |
| 1916 | .... | 474,394 | 31,690 | 6.7 | 6 |
| 1917 | .... | 480,877 | 29,855 | 6.2 | 6 |
| 1918 | .... | 482,954 | 30,312 | 6.3 | 5 |
| 1919 | .... | 486,720 | 31,654 | 6.5 | 5 |
| 1920 | .... | 439,388 | 28,392 | 6.0 | 5 |
| 1921 | .... | 494,101 | 29,229 | 5.9 | 5 |
| 1922 | .... | 496,008 | 31,698 | 6.4 | 5 |
| 1923 | .... | 496,246 | 31,447 | 6.4 | 5¼ |
| 1924 | .... | 500,000 | 30,620 | 6.2 | 5½ |
| 1925 | .... | 500,000 | 30,352 | 6.0 | 5½ |
| 1926 | .... | 500,000 | 29,456 | 5.9 | 5½ |
| 1927 | .... | 500,000 | 29,302 | 5.9 | 5½ |

**PREMIER TRUST**

**Rate of Earnings**

| Year | | Paid-up Capital | Profits | Earned % | Dividend |
|---|---|---|---|---|---|
| 1918 | .... | $115,660 | $4,727 | 4.1 | 4 |
| 1919 | .... | 123,560 | 6,823 | 5.7 | 4 |
| 1920 | .... | 127,794 | 7,350 | 6.1 | 5 |
| 1921 | .... | 131,171 | 7,168 | 5.4 | 5 |
| 1922 | .... | 135,237 | 8,721 | 6.7 | 5¼ |
| 1923 | .... | 139,857 | 8,607 | 6.2 | 5½ |
| 1924 | .... | 148,293 | 8,869 | 6.0 | 5½ |
| 1925 | .... | 160,000 | 8,037 | 5.0 | 5½ |
| 1926 | .... | 160,000 | 8,565 | 5.3 | 5½ |
| 1927 | .... | 170,000 | 9,942 | 5.8 | 5½ |

## Can. Gen. to Operate in London, England

Canadian General Investment Trust, Limited, is expected shortly to establish a subsidiary company to operate in London, Eng., but no public offer of capital will be made. Lieut.-Col. Sir Ronald Waterhouse, former principal private secretary to the Premier, is a director of this concern, he having resigned his secretarial position this week in order that he might be free to accept directorships in the Canadian General Investment Trust and associated companies.

## Fraser Appreciation Affects Debentures

**From Our Own Correspondent**

MONTREAL.—The recent appreciation in the shares of the Fraser Companies has a decided bearing on the price of the debentures. Attached to each $1,000 debenture there is a warrant entitling the holder to purchase two shares of common stock at $40 per share up to October next; thereafter at $45 to October, 1931, and thereafter at $50 to October 1933.

Debenture holders who exercise their rights at the present time can obtain a profit of $36 for every $1,000 debenture. Deducting such a profit from the present price of the debentures places a value on the debentures themselves, excluding the attached warrants, of 103.4. The last figure indicates clearly that the company's 6 per cent. debentures are certainly not selling out of line as compared to similar securities.

# WESTERN TRUST'S REPORT FEATURES EXCELLENT YEAR

## Estates, Trust and Agency Accounts Flourish — Dividend is 8%

A remarkable increase in the estates, trust and agency account in the past year is the feature of the report of the London & Western Trust Co. for 1927. This item, including trusts securing bondholders, now stands at $24,750,183, compared with $18,225,701 at the close of 1926. Earnings after expenses and taxes in 1927 were $71,512, compared with $71,653 in 1926. This is 14.3 per cent. of the $500,000 capital. The company is paying 8 per cent. dividends.

Reserve now is $400,000, or 80 per cent. of capital, a further $25,000 having been appropriated in 1927. The balance carried forward is $19,486, after dividends, appropriation for reserve, appropriation of $5,540 for depreciation of office buildings and equipment and government and municipal taxes totaling $13,770.

Total assets have grown from $19,129,216 in 1926 to $25,679,669 in 1927. This is a growth from $11,849,024 in 1920. The estates, trust and agency accounts, exclusive of mortgages held as trustee to secure bonds, from 1920 have doubled, from $10,196,473 to $20,179,233.

Mortgages and interest in capital account total $556,146. Other assets under this head include $95,000 for office premises (a reduction of $5,000 in a year), loans on securities totaling $66,362, bonds debentures and debenture stock totaling $143,081 and cash amounting to $68,899. All these now total $929,486, compared with $903,514 a year ago. This company does not loan money on its own stock.

The report signed by Arthur T. Little, president, states that the company continues to confine its mortgage loans to improved, selected real estate in Ontario. The election of Archibald McPherson and John M. Moore to the board of directors is noted, thus filling the vacancies caused by the death of Senator F. F. Pardee and Col. Thomas S. Hobbs.

**Rate of Earnings**

| Year | | Paid-up Capital | *Profits | Earned % | Dividend |
|---|---|---|---|---|---|
| 1913 | .... | $400,000 | $37,368 | 9.5 | 6 |
| 1914 | .... | 484,195 | 45,676 | 9.7 | 6½ |
| 1915 | .... | 500,000 | 53,486 | 10.8 | 7 |
| 1916 | .... | 500,000 | 51,651 | 10.3 | 7 |
| 1917 | .... | 500,000 | 50,551 | 10.1 | 7 |
| 1918 | .... | 500,000 | 53,113 | 10.6 | 7 |
| 1919 | .... | 500,000 | 61,135 | 12.2 | 7 |
| 1920 | .... | 500,000 | 64,069 | 12.8 | 7 |
| 1921 | .... | 500,000 | 27,373 | 5.4 | 7 |
| 1922 | .... | 500,000 | 102,161 | 20.4 | 7 |
| 1923 | .... | 500,000 | 67,586 | 13.5 | 7 |
| 1924 | .... | 500,000 | 65,703 | 13.1 | 7 |
| 1925 | .... | 500,000 | 69,377 | 13.8 | 7 |
| 1926 | .... | 500,000 | 71,653 | 14.3 | 8 |
| 1927 | .... | 500,000 | 71,512 | 14.3 | 8 |

*Taxes deducted.

The making of aerial maps is playing a notable part in the development of Canada's mining industry and resulting in a greater influx of prospectors to Canadian mining fields.

# CHARTERED TRUST DOUBLES EARNINGS DURING YEAR 1927

## Latest Rate of Profits is 14.3 Per Cent. on Capital

Chartered Trust & Executor Co., Toronto, nearly doubled its net profit in 1927 compared with 1926. The respective figures, after provision for all taxes, were $74,881 for the last year, as against $39,510 for the previous year. The latest rate of earnings is 14.3 per cent. on the paid up capital of $522,844, compared with 7.6 per cent. on the paid up capital of $520,942 a year ago. The company has paid dividends of 5 per cent. in the last two years. In 1925 the rate was 5½ per cent. and for several years previous to that the rate was 7 per cent. The rate recently has been increased to 6 per cent.

Out of the accumulated surplus of $89,980, $50,000 has been appropriated to rest account, this item now being $110,000.

Total assets of the company now stand at $14,131,723, which is an increase in twelve months from $11,703,543. The item real estate for sale has disappeared from the balance sheet, and the capital assets have grown from $612,953 to $759,902. The greatest growth is shown in the guaranteed trust account, this now being $1,595,002, compared with $833,711 a year ago. Estates, trusts and agency accounts have grown in the year from $10,256,878 to $11,776,819.

The following table summarizes the condition of the company from 1919:

**Rate of Earnings**

| Year | | Paid-up Capital | Profits | Earned % | Dividend |
|---|---|---|---|---|---|
| 1919 | .... | $446,862 | $48,368 | 11.5 | 7 |
| 1920 | .... | 479,937 | 37,644 | 8.0 | 7 |
| 1921 | .... | 484,456 | 35,670 | 7.4 | 7 |
| 1922 | .... | 515,556 | 45,776 | 9.1 | 7 |
| 1923 | .... | 516,802 | 17,073 | 3.3 | 7 |
| 1924 | .... | 519,303 | 28,236 | 5.4 | 7 |
| 1925 | .... | 520,882 | 30,757 | 5.9 | 5½ |
| 1926 | .... | 520,942 | 39,510 | 7.6 | 5 |
| 1927 | .... | 522,844 | 74,881 | 14.3 | 5¼ |

## B.C. Telephone Instals its 100,000th Phone

British Columbia Telephone Co. recently installed its 100,000th telephone in a branch store of P. Burns & Co. W. J. Blake Wilson, vice-president of P. Burns & Co., was the first person to use the instrument after it had been tested. Mr. Wilson called Mayor Taylor, of Vancouver, to congratulate him on the progress that the city and the district served by B.C. Telephone Co. is making.

B.C. Telephone Co. is controlled by American Telephone and Telegraph.

**Hearst Is President**

Sir William Hearst, K.C., formerly vice-president of the Municipal Bankers Corporation, has been elected president of this company to fill the vacancy caused by the death of Sir John Willison. At this meeting John McMillan, general manager of the C.P.R. Telegraph, and Dr. R. J. Sprott were both elected vice presidents.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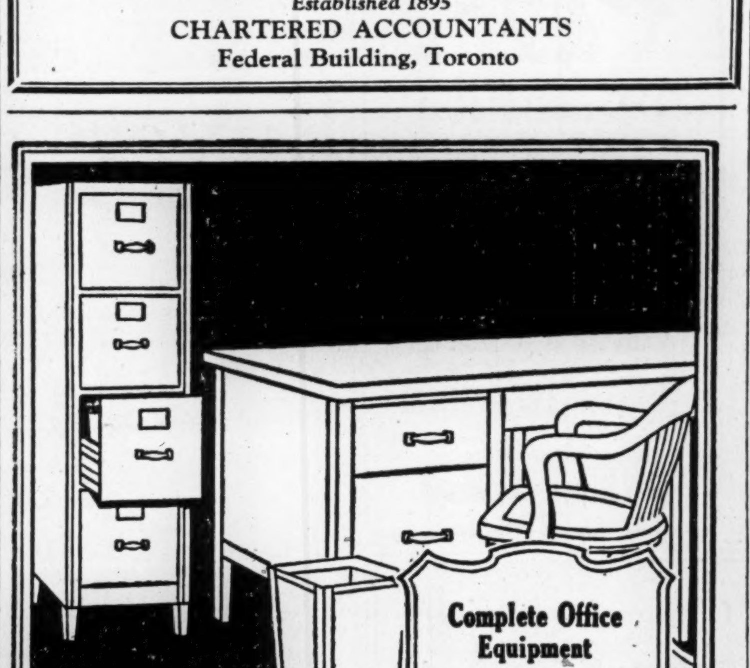


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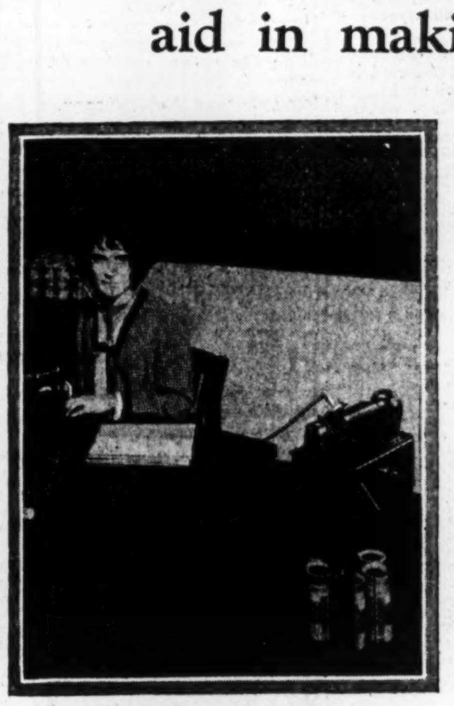


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That's how J. Morland Bowman puts it. And as Vice-president and Managing Director of Huber Hoge (Canada) Limited, Toronto—sales and advertising advisers to a group of Canada's largest manufacturers—Mr. Bowman knows whereof he speaks. Let him continue:

"The Dictaphone is so valuable to me in my office that I keep one also in my library at home where it is ready always to record ideas and thoughts regarding business matters which never are very far away from a sincere business adviser.

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In Marjorie E. Griner The Dictaphone has another staunch friend—and for very good reasons as she herself testifies:

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# Page-Hersey Earns Good Profits in 1927

## Rate of $7.02 per Share is Shown After Bond Interest and Preferred Dividends in Year Ended December 31 Last

Page-Hersey Tubes, Ltd., exclusive of subsidiaries, earned $7.02 per share after bond interest and preferred dividends in the year ended December 31, 1927. This compares with $2.49 per share in the last six months of 1926, or at the rate of $4.98 per share per annum.

It should be remembered that the two balance sheets published since the present company organized do not include earnings of the subsidiary companies at Cohoes, N.Y., which are said to be profitable, and it is not apparent that earnings of the Page-Hersey Export Co. or the Page-Hersey Trading Co. are included.

**Attractive Investment**

While the immediate effect of the report, and the failure of the management to announce an increase from the $3 dividend rate on the common stock, was to depress the stock a few points, the extremely good position of the company, along with that of its subsidiaries, makes the investment even more attractive than in the past.

There are several significant changes in the balance sheet. Bond investments are up from $1,452,056 to $1,552,875. Outstanding bonds of the company are reduced from $1,900,000 to $918,000. Preferred stock liability is reduced by conversion from $3,000,000 of $100 par value to $2,715,000; this is due to exercise of conversion privileges. There is some reduction in working capital, but the ratio of current assets to current liabilities is still high. Investments in stock of subsidiary companies now are shown as $812,000, compared with $882,000 a year ago. The reserve for depreciation is up from $18,820 to $221,460.

Income and Surplus Account, Years Ending December 31

| | 1927 | 1926 |
|---|---|---|
| Profits | $1,021,700 | $382,174 |
| Less Appropriations: | | |
| Preferred Dividends | 200,908 | 105,000 |
| Common Dividends | 341,152 | 166,680 |
| Surplus for Year | $479,640 | $110,494 |

# Hudson's Bay Common is Stronger in London

## Appointment of James Richardson and Sir George McLaren Brown to English Committee Indicates Larger Measure of Canadian Control

Recently Hudson's Bay Company ordinary or common shares have shown greater strength and are sold (January 27th) on the London Stock Exchange at 100 shillings. This compares with a low point of 76 shillings in 1926. It is apparent that there is greater confidence in Britain in regard to this company.

Recently, James Richardson has been added to the London committee. Sir George McLaren Brown, European manager of the C.P.R. has become associated with their overseas settlement scheme. George W. Allan, K.C., of Winnipeg, chairman of the Canadian committee, is very active in the management and is on the London committee. These changes indicate a larger measure of Canadian control of the company. In time, this Canadian control will have to be extended, for there are still evidences that the company is managed from too great a distance.

**Dividend Record**

Dividend rate has declined steadily since the war, as will be seen from the following table:

| | Total | From land | From trading |
|---|---|---|---|
| 1913-4 | 40% | 40% | ........ |
| 1914-5 | None | .... | ........ |
| 1915-6 | 20% | 5% | 15% |
| 1916-7 | 30% | 15% | 15% |
| 1917-8 | 40% | 20% | 15%+5% bonus |
| 1918-9 | 45% | 20% | 15% plus 10% bonus |
| 1919-20 | 40% | 15% | 15% plus 10% bonus |
| 1920-21 | 40% | 15% | 15% plus 10% bonus |
| 1921-22 | 45% | 10% | 20% plus 15% bonus |
| 1922-23 | 19½% | 2% | 17½% |
| 1923-4 | 20% | .... | 15% plus 5% bonus |
| 1924-5 | 20% | .... | 15% plus 5% bonus |
| 1925-26 | 23½% | 3½% | 10% plus 5% bonus |
| 1926-27 | 20% | 10% | 10% |
| 1927-28 | 7½% | .... | 7½%* |

*To date. Further payment of 12½ per cent. expected. £ shares.

**Trading Department**

Earnings from the trading section have declined while the investment in sales shops has increased as these figures show:

| | Invested in shops, etc. | Net profits from trading | Percentage earned on investment |
|---|---|---|---|
| 1919 .... | £3,606,838 | £386,228 | 10½% |
| 1920 .... | 3,350,972 | 410,899 | 12% |
| 1921 .... | 4,231,607 | 110,328 | 2½% |
| 1922 .... | 3,975,849 | 320,667 | 8% |
| 1923 .... | 4,348,530 | 206,952 | 4½% |
| 1924 .... | 4,315,973 | 235,903 | 5½% |
| 1925 .... | 4,690,246 | 211,034 | 4½% |
| 1926 .... | 5,283,372 | 254,176 | 5% |
| 1927 .... | 6,779,656 | 151,910 | 2% |

The £151,910 profit is nevertheless 7½% on the capital stock.

The company has other sources of revenue to be added to the actual profits from trade. The chief item is interest in land sold on the instalment method. The combined trading and other profits sufficed to pay all expenses, taxes, etc., and carry £300,000 to profit and loss account. After paying preference dividends, there was available for common shares from trading account, about 16 per cent., of which 10 per cent. was paid in dividends to shareholders.

The small trading profits of 1927 were explained by Charles V. Sale, governor, at the annual meeting as due to disappointing crops in 1926; the large amount of construction work going on at the stores, interfering with business, and a late spring season. Business was increasing, he reported, and he expected better profits from trade.

The chief competition for the trading department is provided by the T. Eaton Company, which is pursuing a vigorous policy of expansion in Western Canada. There is, of course, room for both organizations, and it may be questioned if the two companies do not cater to different classes of trade. For instance, in Winnipeg, Hudson's Bay's new store is regarded as having a higher class of trade than Eaton's.

Despite the competition from Eaton's, it may be fair to say that Hudson's Bay Company have just about [illegible] bottom in their trading profits, and there should be improvement in this direction. Their capital has increased from £1,000,000 to £1,500,000 in the past few years, and the company, no doubt, has not been able yet to reap the full benefit of the investment of so much new money.

**Land Sales**

The other chief department is land sales. In recent years, proceeds from sales of lands have not always done more than meet the heavy taxes on the lands held. There was a deficit of £33,000 in land account in 1925; a profit of £35,500 in 1926 and of £152,000 in 1927.

Special dividends are from time to time paid out of land account. Being considered return of capital, they are not taxable.

The company owns 2,800,000 acres of land in the West, and Mr. Sale declares that 90 per cent. is good farming land. They expect gradual improvement here. They have been getting an average of $12 an acre for the land. In connection with the land, the fact that the many thousands of acres owned are in oil-bearing areas is of significance. Through the Marland Oil Company, investigation work is proceeding on these lands and if great oil-fields are developed in Western Canada, Hudson's Bay Company will benefit.

It may be assumed, reasonably, that the land department of the company will do much better in coming years and that sales will advance relatively more rapidly than taxation. This should enable the company to pay steadily increased dividends from this source. The lands are not shown in the company's balance sheet although they may be considered as worth at least $25,000,000. Nor does the balance sheet include $2,500,000 unpaid instalments on land.

The current price of the stock is about 100 shillings. Taking current rate of dividends at 20 per cent., the net yield is 4 per cent. Last year the company earned 25 per cent. from all sources. The stock is selling, then, at 20 times the previous year's earnings basis, since last year the capital has again increased by £500,000. The present price undoubtedly discounts the future improvement to some extent. The book value of the stock works out to about £2. 12½s. a share, but if land is included at $25,000,000 the shares are worth over £5 each.

Price Range of Ordinary Stock, London. Shillings (approx.)

| | | |
|---|---|---|
| 1918 | 183 | 140 |
| 1919 | 183 | 143 |
| 1920 | 182 | 105 |
| 1921 | 142 | 104 |
| 1922 | 172 | 110 |
| 1923 | 157 | 95 |
| 1924 | 125 | 100 |
| 1925 | 118 | 90 |
| 1926 | 125 | 76 |
| 1927 | 128 | 78 |

Present price—97¾-100 (January 27).

**Investment Position**

The company should shortly begin to reap the benefits of the investment of £4,000,000 of new capital in the past two or three years. While this has increased the company's capital liability by £1,000,000 there has been a sufficient margin of earnings over dividends in the past to warrant the expectation that fair profits can be earned on the new investment. With its programme of expansion virtually complete, the company can turn its attention to increasing sales and making the new plant earn its keep. Vigorous efforts are now being made to build up sales in the stores. They felt the spur of Eaton competition and are out to hold their dominant position in the West.

The company should advance as Canada advances and the shares should recover much further. The company would be in a stronger position if managed to a larger extent from Canada. Appointment of Mr. Richardson to the London committee seems to indicate a desire to sense Canadian conditions more acutely.

Present yield on stock is low, but an increase of dividend to 30 per cent. per annum, which would not be an unreasonable hope for the near future, would bring the yield to 6 per cent. Income tax would only have to be paid under British law on the income from trading accounts and not on land sales and no doubt the Canadian Government would apply the same rule. General opinion is that the company is potentially profitable.

# GATINEAU CO. TO PURCHASE TWO OTHERS

## Ottawa & Hull and Subsidiary Are to be Acquired

### CASH OFFER MADE

### Deal Recommended by the Directors Eliminates Power Corporation's Activities in Ottawa Valley

From Our Own Correspondent

MONTREAL.—By way of further consolidating its power interests in teh Ottawa River district, the Gatineau Power Co., a subsidiary of International Paper, has made offers of purchase to shareholders of Ottawa & Hull Power Co., and Ottawa River Power Co. The company has been offered $60 per share and the latter, $40. The first offer has been accepted by Power Corporation which holds a majority of the shares of the Ottawa & Hull Co., and also by the directors of the latter company on behalf of the Ottawa River Power Co., which is under their control. Notices to this effect have been sent out to shareholders with the recommendation that it be accepted.

This will be the second negotiation for sale of its properties that has been consummated by Power Corporation, the first being the sale of Ottawa-Montreal Power in May, 1927, to the same interests that have made the present offer.

Ottawa-Hull's 1927 annual financial report, showing position as at October 31, 1927, the end of the company's fiscal year, indicated considerable progress, and the directors expressed expectations of further and substantial improvement.

The balance sheet showed total assets of $5,051,327, of which plant investment was the largest item amounting to $4,440,759. Investment in subsidiary company was shown at $334,204, and advances to the same were $196,100. These items together made up the bulk of the assets, the rest totaling less than $80,000, and comprising cash, accounts receivable and prepayments.

Capitalization consists of 15,000 shares of preferred stock $100 par value) and 25,000 shares common stock (no par value). There is also an issue of $2,500,000 of first mortgage bonds. Depreciation reserve has been accumulated to the extent of $756,844, and a profit and loss balance of $49,105 is also shown. Current items at October 31 totaled $120,377.

Ottawa River Power, the subsidiary of Ottawa-Hull, shows total assets of $5,169,282, of which plant is shown at $5,079,134, against which there is a depreciation reserve of $79,000.

These two companies serve the growing cities of Ottawa and Hull. Ottawa-Hull Power has two plants situated on the Ottawa River at Chaudiere Falls, while the subsidiary has a plant which is located at Bryson, Que., some 50 miles above Ottawa. The total installed power developments is over 100,000 horsepower at the plants of both companies.

# UNION TRUST CO. ADDS TO EARNINGS

## Management Reports Unprecedented in All Departments of Business

Annual report of Union Trust Co. shows net earnings of $107,887 after taxes and depreciation on office equipment, which is at the rate of 10.7 per cent. on the issued capital of $1,000,000. This is the best year the company has had since 1916 and compares favorably with 1926, when the earnings were at the rate of 10.1 per cent. of capital.

General Manager C. D. Henderson, reported that the new business entrusted to the company during 1927, including estates for administration and corporation work of various descriptions was the greatest in the company's history. As evidence of the growing public appreciation of the value of Trust Company service, he cited the increased number of estates under administration and the higher average value of assets for each estate. Mention was made also of the increasing number of wills left with company for safekeeping, in each of which the Trust Company is named as executor either alone or to act in conjunction with a personal friend or solicitor.

The operations of the company's stock transfer department reflected the great activity upon the stock exchanges.

The 1927 board of directors was re-elected for 1928.

| | 1925 | 1926 | 1927 |
|---|---|---|---|
| Earnings | $116,504 | $120,039 | $127,488 |
| Taxes | 13,145 | 14,217 | 14,865 |
| Office deprec. | 4,740 | 4,740 | 4,740 |
| Net profits | $ 98,619 | $101,082 | $107,883 |
| Distrib.— | | | |
| 1% bonus | ..... | ..... | 10,000 |
| Div. | 70,000 | 70,000 | 70,000 |
| Reserve | ..... | 75,000 | ..... |
| Balance | $ 28,619 | *$43,918 | $ 27,883 |
| Prev. balance | 138,866 | 167,485 | 123,567 |
| P. & L. balance | $167,485 | $123,567 | $151,450 |

*Debit.

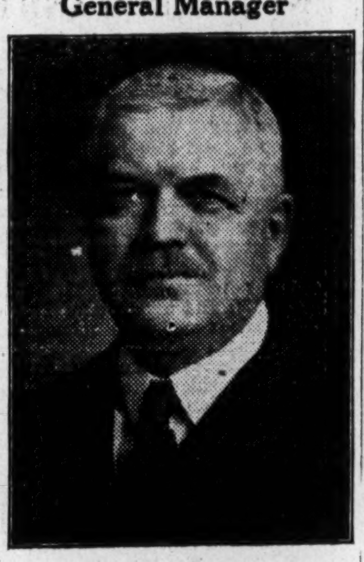
Rate of Earnings

| Year | Paid-up Capital | *Profits | Earned % | Dividend |
|---|---|---|---|---|
| 1913 .... | $1,000,000 | $209,794 | 20.1 | 10 |
| 1914 .... | 1,000,000 | 162,075 | 16.2 | 10 |
| 1915 .... | 1,000,000 | 154,524 | 15.5 | 10 |
| 1916 .... | 1,000,000 | 125,195 | 12.5 | 10 |
| 1917 .... | 1,000,000 | 91,937 | 9.1 | 9 |
| 1918 .... | 1,000,000 | 98,363 | 9.8 | 7 |
| 1919 .... | 1,000,000 | 102,603 | 10.2 | 7 |
| 1920 .... | 1,000,000 | 90,166 | 9.0 | 7 |
| 1921 .... | 1,000,000 | 90,230 | 9.0 | 7 |
| 1922 .... | 1,000,000 | 95,773 | 9.5 | 7 |
| 1923 .... | 1,000,000 | 92,166 | 9.2 | 7 |
| 1924 .... | 1,000,000 | 93,863 | 9.8 | 7 |
| 1925 .... | 1,000,000 | 98,619 | 9.8 | 7 |
| 1926 .... | 1,000,000 | 101,082 | 10.1 | 7 |
| 1927 .... | 1,000,000 | 107,883 | 10.7 | 7+1 |

*Taxes and amount written off deducted.

The value of exports of pulp and paper from Canada in December, 1927, amounted to $15,325,936, an increase of $123,796 over December, 1926.

General Manager



H. B. HENWOOD, who assumed the post of general manager of the Bank of Toronto on February 1.

# BRITISH COLUMBIA IS MARKING TIME IN PULP INDUSTRY

## Waiting to See What Will Happen About the Australian Treaty

### RECORD OUTPUT

### Production of Logs Not to Exceed Reproduction, is Sought by Legislation

From Our Own Correspondent

VANCOUVER.—Further expansion of the pulp and paper industry in British Columbia is likely to be halted until such time as the status of the Canadian-Australian trade agreement becomes more certain.

Although the pulp and paper interests are well satisfied with the operations of the agreement, which has resulted in increasing shipments to Australia enormously, agricultural interests in Canada are opposing it and there is also some opposition in Australia. If the treaty is scrapped, as has been threatened in some quarters, or if it is modified so as to interfere severely with Canada's sale of pulp and paper in the Antipodean market, a large surplus will become available in British Columbia mills, some of which have been recently geared to higher capacity because of heavy buying in Australia. The effect of all this would make conditions rather difficult for any new producing unit attempting to establish itself in markets already being adequately supplied by mills already in operation.

At the present rate of consumption, however, it is believed in some quarters that the demand will be so much greater in a few years that by the time any new projected mills begin operating there will be a market for all they can produce.

Which of the two views will be adopted by those behind projected pulp and paper enterprises remains to be seen, but it is generally believed in authoritative quarters that the uncertainty of the Australian situation is to-day the chief deterrent to expansion in the immediate future.

**Beat All Records**

British Columbia paper production in 1927 exceeded all past records, according to official figures announced by Hon. T. D. Pattullo, minister of lands, to the provincial legislature.

Mr. Pattullo said that 227,755 tons of paper were produced by British Columbia mills last year, as compared with 187,000 tons in 1926. This is the largest increase in a single year so far recorded. In the last ten years production of paper has been practically doubled.

The value of the total forest products last year was $83,078,000, as compared with $84,802,000 tons in 1926. Reduction in lumber output and depressed prices are held responsible for the decline, although, incidentally lumber exports waterborne showed an increase. Lumber shipped overseas totaled 740,230,330 feet—an increase of 27,500,000 tons and about four times the figure of half a dozen years ago; sixteen times what they were in 1916.

"We had a revenue of $2,434,674 from the actual cutting of timber," reported Mr. Pattullo. "The total log sale was 2,853,702,462, a reduction of 65,000,000 feet from the previous year."

**Important Action**

British Columbia is about to take the most important action it has so far attempted to conserve its timber resources. Before the legislature has prorogued from its present session it will be asked to bring down legislation seeking restriction of logging to such an extent that production of logs will not exceed natural reproduction. In other words, British Columbia intends to make a bold bid to ensure perpetual supply of timber.

The forests of British Columbia are being completely surveyed with a view to ascertaining "the safe maximum cut" that may be undertaken, so that the industry may be regulated to utilize as much timber as possible without depleting the productive capacity of the forests. The government recognizes that the fire menace is the most destructive agency to be contended with, but believes that conservation measures should go farther than merely to reduce the fire hazard.

T. D. Pattullo said that the government was carrying on research work designed to ascertain new methods of making profitable use of the by-products of the timber industry. "We all regret what appears to be a terrific waste of material in our lumbering operations, but it is due to conditions over which no one has any control, and which will only right themselves with increasing population and our ability to obtain markets in competition with the rest of the world."

# *Lake Ontario Brewing Makes New Share Issue*

From Our Own Correspondent

MONTREAL.—To provide additional working capital and to compensate shareholders whose dividends have been deferred, the Lake Ontario Brewing Company is authorizing an issue of 4,400 shares to shareholders at a price of $15 per share. As there are already 22,000 no par value shares outstanding, this will mean that each present holder of five shares will be given the right to subscribe for one new share of common, which at the present price of the stock means something like $2 per share in the way of stock rights.

The original issue of Lake Ontario Brewing stock was offered to the public in February of 1927, and during 1927 earnings were well maintained, with the result that the company declared an interim dividend on July 15 of 50c. per share, which had it been maintained, would have been equivalent to $2 per annum. The stock at this time sold as high as $31.50 per share. However, with the coming into force of the new Ontario Liquor Act, the company found it necessary to make considerable extensions to its plant with the result that earnings were diverted along these lines and some $48,000 was used to provide this new machinery and equipment. The result, however, was that no further dividends were paid to shareholders. At the present time, the stock is being sold at between $24 and $25, which is a considerable improvement over the $18 which was reached last year.

The present issue of stock will supply working capital which has been depleted by the capital expenditures and should place the company in a position to benefit from any increased volume of business that it should soon be in a position to handle.

According to present plans, it is understood that the directors of the company are in favor of resuming dividend payments in July next at the rate of perhaps 25c. per share, which would cover the quarter ending June 30, 1928. The shareholders will meet on February 15 to ratify the by-law and it is expected that at the end of the month the improvements in the company's plant will have been completed.

Although only 4,000 shares have been issued at the present time, the company has authorized an increase in its capital stock from 22,000 no par value shares to 35,000 shares of no par value. However, the remaining 8,600 shares will remain unissued for the present at least.

# MARITIME ELECTRIC HAS GOOD OUTLOOK

## Position is Attributable to Favored Change in Freight Rates

Conditions in the Maritime electric properties controlled by Associated Gas & Electric are particularly good, according to T. J. Coleman, who is quoted in the current issue of the Associated Magazine. Mr. Coleman ascribes the healthy outlook to the recent favorable change in freight rates, a decrease in income taxes along with the increased volume of tourist business which has developed rapidly in the last few years.

Maritime Electric Co. is controlled by interests affiliated with Associated Gas & Electric Co. The Maritimes company was incorporated in 1917 in Canada and subsequently acquired control of the St. Stephen and Calais (Me.) Light & Power Co., which controlled St. Croix Gas Light and St. Stephen Electric Co.; the Fredericton Electric Co., which controlled Fredericton Gas Light Co., the Charlottetown Electric Co., which controlled the Charlottetown Light & Power Co., and the Bridgetown (N. S.) Electric Light, Heat & Power Co. The principal communities served are Fredericton and St. Stephen in New Brunswick, Charlottetown, P. E. I., Bridgetown and Lawrencetown in Nova Scotia, and Calais in Maine. The company has about 8,000 meters in service.

# 'YORKSHIRE' MERGES WITH WAGHORN CO.

## Waghorn, Gwynn, of Vancouver, Consolidate With Yorkshire, Pacific

From Our Own Correspondent

VANCOUVER.—A merger of general interest in the West is that bringing into a consolidation the services of the Yorkshire and Pacific Securities Ltd., and Waghorn, Gwynn & Co., of Vancouver.

The two companies represent many millions of dollars in property control, among the principal properties held by the "Yorkshire" being the Yorkshire, the Pacific and the Metropolitan office buildings in Vancouver's downtown districts.

**George H. Kidd on Board**

Founded 40 years ago in England, the Yorkshire has been identified with Pacific Coast Canadian developments continuously for 40 years. Affiliated with it is the Yorkshire and Canadian Trust, Ltd. J. W. Dyson is president and F. H. Wright, vice-president of the two companies. George H. Kidd, president of the B. C. Electric Railway Company, is a member of the directorate.

Waghorn, Gwynn & Co., organized more than 22 years ago, was originally a partnership between J. R. Waghorn and G. T. Gwynn, later being incorporated in its present form.

Mr. Waghorn will retain an active interest in his company, being chairman of the new board of directors. In the bond department, F. G. Sweet and W. V. Edwards will be associated with A. W. Black. H. B. Holland will join with E. Spencer in the combined insurance departments. P. R. Burr will have charge of the combined real estate departments.

The merger takes effect February 11, Waghorn, Gwynn & Co., staff removing to the offices of the affiliated organization in the Yorkshire building.

In the face of a slight downward trend of business in the United States, Canada's prosperity is pointed definitely upward for 1928, said Creighton Hill, Babson statistical expert.

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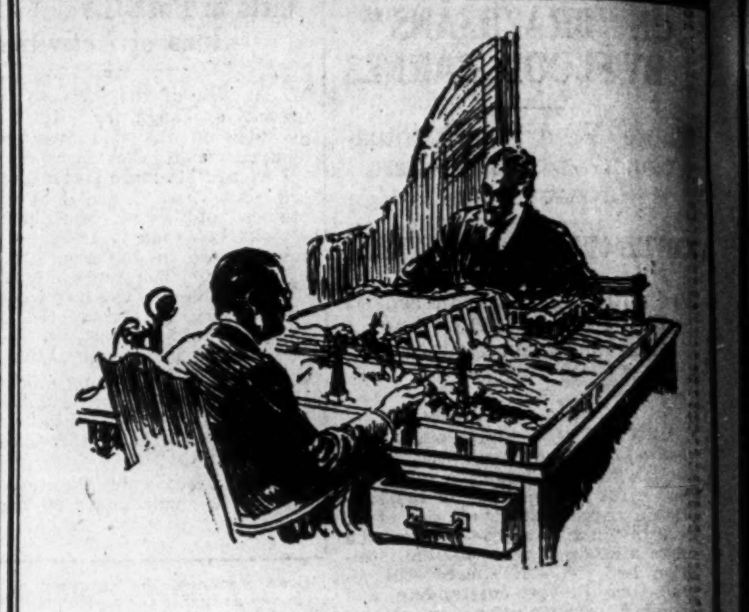

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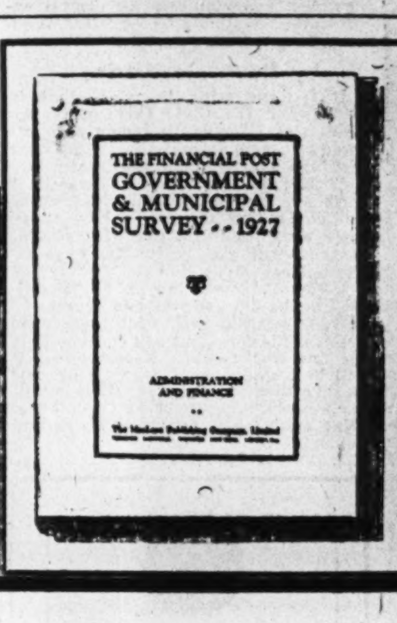


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# News of Investment Markets

## HAMILTON BRIDGE MAKES NEW ISSUE PREFERRED STOCK

### Investors Offered $2,250,000 Six Per Cent. Cumulative Preferred

From Our Own Correspondent

MONTREAL. — The shares of a bridge company are offered this week to investors through the issue of $2,250,000 6 per cent. cumulative preferred stock in the Hamilton Bridge Company. Hamilton Bridge was incorporated this year to acquire the Hamilton Bridge Works Company, which has been operated as a private concern for some 33 years. The old company was until recently owned by the Hendrie family of Hamilton, but it has been acquired by a group closely associated with Canadian Vickers. The new company will have James Playfair as chairman of the board; W. I. S. Hendrie as president; Frank M. Ross, vice-president; and W. C. Champ, vice-president and managing director.

The company's properties consist of two steel fabricating plants in Hamilton, Ontario, with a combined annual capacity of 48,000 tons. Some 700 men are employed and although the chief business of the company is the fabrication and erection of steel bridges, steel frames for buildings, and various other steel structures and articles, the company has also up-to-date erection equipment for use on railway wor'' and other purposes.

Details of the issue are as follows:

**$2,250,000**
**Hamilton Bridge Co., Ltd.**
**6½% Cum. First Preferred Stock**
**Capitalization:**

| | Authorized | Issued |
|---|---|---|
| 6% First Preferred | $5,000,000 | $2,250,000 |
| 7% Second Preferred | 800,000 | 800,000 |
| Com. stock (n.p.v.) | 100,000 shs.* | 50,000 shs. |

*Of the authorized common stock, 32,000 shares are to be reserved for conversion of the 7 per cent. second preferred, conversion to be at the option of the holder on the basis of four shares common for each share of second preferred held.

**Company:** Operates 2 steel plants in Hamilton, Ontario, for the erection of steel bridges, steel frames or buildings, railways turntables, intake pipes, water towers, erection equipment, etc.

**Assets:** Fixed assets as at January 21, 1928, amount to $2,447,813, to which may be added net current assets amounting to $962,773. Equivalent to over $150 per share on the first preferred issued.

**Earnings:** Over an 18 year period, net earnings after providing maintenance depreciation and taxes, have averaged $169,644. For the year ending December 31, 1927, net earnings amount to $300,317, equivalent to over twice the 1st preferred dividend requirements of $146,250. On this basis, providing for first and second preferred stock, the net earnings available for common stock are equivalent to over $1.85 per share on the common stock. Estimated earnings for 1928 based on orders in hand are expected to be considerably higher than this.

**Redemption**—First preferred stock is redeemable at $110 per share.

**Offered:** At par and accrued dividend with a bonus of two and a half common shares with each 10 shares of preferred, by a syndicate composed of Drury & Company, James Richardson & Sons, Hanson Brothers, R. A. Daly & Co., and Greenshields & Company.

### Gosse Fares Badly in B.C. Salmon Pack

From Our Own Correspondent

MONTREAL. — Largely due to the action of the Dominion Department of Marine and Fisheries in drastically curtailing the length of the fishing season, the total salmon pack of British Columbia in 1927 amounted to 1,360,634 cases as against 2,065,190 cases in 1926. As a result of this the Gosse Packing Company packed only 264,858 cases in 1927 compared with 447,244 cases the previous year. It is extremely unlikely that conditions such as prevailed this past season will obtain again.

A movement having the moral support of the department is under way among the packers to regulate their fishing operations next season and what has occurred this year is likely to have a decidedly stabilizing effect upon the future earning power of the industry. Fishery officers advise that the spawning grounds are well seeded and there is every assurance of a plenteous supply of salmon for the future. The result, however, of the curtailment in the catch in 1927 has been an operating loss for the Gosse Packing Company and in view of this it is announced that the directors have determined to defer for the present dividends on the seven per cent. cumulative preferred.

## This Week's Bond Sales

### NORTH BAY ISSUE

A. E. Ames & Co. purchased 5 per cent. bonds of North Bay to an extent of $114,430 at 101.11. This is close to a 4.85 rate. The bonds are divided into $23,134 payable in ten instalments and $91,296 payable in twenty instalments. The bids were:—

| | |
|---|---|
| A. E. Ames & Co. | 101.11 |
| Wood, Gundy & Co. | 100.80 |
| C. H. Burgess & Co. | 100.41 |
| Harris, MacKeen & Co. | 100.31 |
| Bell, Gouinlock & Co. | 100.31 |

### PROVINCE OF QUEBEC

Montreal.—The lowest cost for Federal or provincial government financing in nearly twenty years was established when the new province of Quebec 4 per cent., thirty-year bond flotation of $5,000,000 brought 96.688 when the award was made to the Wood, Gundy and Co. syndicate. Bids were asked in both New York and Canadian funds and the successful tender was in New York funds which, at 96.688 means that the bonds have been sold at a price equivalent in Canadian funds to a 4.18 per cent. cost basis to the province.

The price is indicative of the deservedly high credit standing of Quebec, as well as the trend of the money market.

Five bids were received, only one of the syndicates making a bid in Canadian funds. Tenders follow:—

| | |
|---|---|
| Wood, Gundy & Company; Chase Securities Corp.; A. E. Ames & Co.; The Royal Bank | 96.688 |
| Blair & Co.; Guardian Detroit Co.; Continental National Co.; Atlantic-Merrill; Oldham Corp.; Banque Can. Nationale; Illinois Merchants Trust; Royal Securities Corp.; The Can. Bank of Commerce; Rene T. Leclerc | 96.607 |
| Bank of Montreal; First National Bank; Kissel, Kinnecutt & Co.; Redmond & Co.; Hallgarten & Co.; Salomon Brothers & Hultzer; Eldridge & Co.; Hanson Brothers; McLeod, Young, Weir & Co. | 96.42 |
| Dominion Securities Corp.; Dillon, Read & Co.; Bankers Trust Co. | 96.26 |
| Estabrook & Co. | 95.71 |

## SHARE OFFER MADE OF DOM. DISTILLERS

### Consolidated Sales Company Proffers, in Toronto, 125,000 Unrestricted Shares

An offering is being made in Toronto of 125,000 shares (unrestricted) of the Dominion Distillers Consolidated, Ltd., by the Dominion Distillers Consolidated Sales Co.

This concern was incorporated last November as a holding Company for the securities of other companies engaged in the liquor industry, mainly in Canada. As of November 15, 1927, Dominion Distillers had acquired, largely through an exchange of stocks, practically all of the outstanding shares of Dominion Distillers, Ltd., of Montreal. Controlling stock interests in other companies of the same general character are intended to be acquired from time to time.

Particulars of the present issue follow:

**125,000 Shares**
**Dominion Distilleries Consolidated**
**Upon completion of the present financing:**
**Capital—**

| | shares |
|---|---|
| Capital Stock unrestricted (this issue) | 125,000 |
| Capital Stock restricted as to Assets and Dividends* | 125,000 |
| Capital Stock reserved for future corporate purposes | 250,000 |
| Total authorized Capital Stock, all without par value | 500,000 |

*By agreement with the owners, this stock is restricted, as follows:

(1) Does not participate in assets, in the event of liquidation or dissolution, unless net tangible assets, as independently appraised, are equal to at least $12.50 per share for all issued and outstanding Capital stock, including this "restricted" stock, and

(2) Dividends up to $1.00 per share in any year have been waived until dividends of at least $1.00 per share shall have been continuously declared and paid upon all issued and outstanding Capital stock, including this "restricted" stock, for a period of two years.

**Business:** Has acquired Dominion Distilleries, Ltd., of Montreal and intends acquiring other companies of same general character. The manufacturing capacity of this plant is now 5,000 gallons a day. It is intended to expand to 10,000 gallons a day. Assets as at October 31, 1927, were of a depreciated value of $241,242; Current assets as of the same date were $210,366 and other assets, including licenses, trade marks, etc., were $917,250, a total of $1,368,859.

**Earnings:** Net earnings for the twelve months under the new management, are expected to total between $450,000 and $500,000.

**Dividends:** It is expected that earnings will be sufficient to provide an initial rate of more than $1.00 a share on all outstanding capital stock.

**Management:** Will be in the hands of experienced men.

**Purpose of Issue:** Proceeds will be applied to controlled companies for the purpose of plant and property additions and betterments, to the purchase of controlling stock interest in other companies, etc.

**Listing:** It is the intention to have these shares admitted to trading upon the Montreal Curb market, the New York Curb and unlisted department of Toronto Stock Exchange.

**Offer:** By Dominion Distillers Consolidated Sales Co., at $12 per share.

## STARR SKATE FIRM OFFERS NEW ISSUE

### Offer is $300,000 First Mortgage 6% Twenty-year Bonds

New financing is being undertaken by the Starr Manufacturing Co., of Dartmouth, N.S., one of the largest skate manufacturing concerns in the world. H. R. Bain & Co., of Toronto, and H. R. Bain Eastern Ltd., of Halifax, are sponsoring the issue this week of $300,000, first mortgage, 6 per cent., twenty-year bonds.

With a growing interest in hockey throughout Canada and the United States, and the increasing number of artificial ice rinks, the sale of skates is increasing continuously. The Starr's output of skates of all descriptions in 1927, totalling approximately 175,000 pairs, was the largest in its history. From present indications the output in 1928 will be considerably in excess of this, while additional modern equipment to be installed will effect a saving in production costs which should enable the company to show a larger margin of profit on certain lines.

Particulars of the issue follow:

**$300,000**
**Starr Manufacturing Co.**
**1st Mortgage 6% Twenty-year Bonds**
Dated Feb. 1st, 1928. Due Feb. 1st, 1948.
(on completion of present financing)
**Capital—**

| | Authorized | To be Outstanding |
|---|---|---|
| First Mortgage (present issue) | $500,000 | $300,000 |
| Common Stock (no par value) | 6,000 | 6,000 |

**Company:** Large producer of skates. Also engaged in the manufacture of bolts, nuts, rivets, axles, hinges and other metal products.

**Property:** Plant located at Dartmouth, having approximately 60,000 square feet of floor space and is equipped for almost every phase of metal manufacturing.

**Market:** Principal outlet for company's skates is in Canada and the United States. Orders have been received from a number of other countries. Output of the bolt plant is taken up by the railways.

**Assets:** Fixed assets in December, 1927, had a replacement value of $725,736, and a present depreciated value of $601,590.

**Earnings:** For the 23-month period from December 31, 1925, to November 30, 1927, available for interest, depreciation and income tax, totalled $84,216, or an average of $42,108. For the nine months period from February 28, 1927, to November 30, 1927, earnings totalled $50,886.

**Management:** There will be no change.

**Offer:** H. R. Bain and Co., Toronto and H. R. Bain Eastern Ltd., Halifax, at 99 and interest, yielding 6.10 per cent. with a bonus of 20 per cent. common stock.

### National Steel Car Adds to Directorate

At a meeting of the directors of the National Steel Car Corporation, W. E. Phin, president of the Dominion Power and Transmission Company, and Russell D. Bell, of the Greenshields Co., of Montreal, were added to the board. Mr. Phin succeeds Donald Symington, of Baltimore, one of the company's vice-presidents, who has resigned, while Mr. Bell takes the place of L. B. Churchill, former secretary-treasurer of the company, who died a few years ago. The vacant vice-presidency caused by Mr. Symington's resignation remains unfilled and no other business of importance was taken up at the meeting.

During the latter part of 1927, shipments of live hogs from Nova Scotia totalled 5,830.

## Tenders and By-laws

**February 15, Village of Laterriers, P.Q.**—$20,000, 5 per cent., serial bonds. A Gagne, sec-treas.

## BROKERS OFFER NEW SECURITIES IN ZIMMERKNIT

### $750,000 First Mortgage Collateral Trust 6% Gold Bonds

As part of the financing program necessary for the taking over by Zimmerknit of the Harvey Knitting Co., and Hosiers, Limited, an issue of $750,000 first mortgage and collateral trust 6 per cent. gold bonds, is being publicly offered by R. A. Daly and Co.

This deal was talked of some months ago, but it was not until recently that the offer of Zimmerknit was accepted by the Harvey group of companies. By the consolidation, it is expected that Zimmerknit will be in a better position to compete for the Canadian trade.

Of the two companies being taken over, Harvey Knitting is the more important. This concern was organized in 1912 and has been in successful operation since that time. The company has built up a good reputation as manufacturers of high-grade underwear. Its products are well known throughout Canada and in addition, a substantial export business has been developed. Hosiers, Limited, manufacture a wide range of hosiery and was organized in 1918. Both of these businesses have a fine dividend record on their outstanding capitalization.

Details of the present bond issue follow:

**$750,000**
**Zimmerknit, Limited**
**1st Mortgage and Collateral Trust**
**6% Sinking Fund Gold Bonds**
**Series "A"**
Dated Feb. 1, 1928 Due Feb. 1, 1948
**Capital—**

| | Authorized | To be Outstanding |
|---|---|---|
| 1st Mortgage and Collateral Trust Gold Bonds | $1,500,000 | $750,000 Series A* |
| 7% Cumulative Redeemable Preference Shares | $1,000,000 | $850,000 |
| Common Shares (without nominal or par value) | 50,000 shares | 31,000 shares |

* This Issue.

**History and Business:** Zimmerknit, Ltd., was formed in 1907. Its chief products are underwear, hosiery and knit goods. Company's output is sold in Canada, Australia, New Zealand and other parts of the British Empire.

**Assets:** Consolidated net current assets of combined businesses, as of October 31, 1927, after giving effect to present financing, amounted to $869,465. Fixed assets at depreciated appraisal values plus additions to date at cost, amounted to $1,634,010. Net tangible assets, therefore, amounted to $2,503,475, which is equivalent to over $3,300 for each $1,000 bond of this issue to be presently outstanding.

**Earnings:** Consolidated net earnings available for interest, depreciation and income taxes for the five and one-half years ended October 31, 1927, averaged $235,417, which is equivalent to 5.2 times total annual interest requirements on this issue.

**Management:** K. W. Harvey, who has been responsible for the success of the two companies now being acquired by Zimmerknit, will assume position of Managing Director.

**Purpose of Issue:** This issue, together with an additional issue of preferred and common stock is being made for the purpose of acquiring all of the outstanding capital stock of Harvey Knitting Co., and Hosiers Limited and of providing the company with additional working capital.

**Offer:** R. A. Daly and Co., at 100 and accrued interest, to yield 6.00 per cent.

## REGENT KNITTING FINANCES BY STOCK

### New No Par Value Common Shares to be Offered Shortly

From Our Own Correspondent

MONTREAL.—An offering will be made next week of 65,000 shares of common stock in the Regent Knitting Mills. The company has been in operation since 1907, having grown from a $30,000 company at that time. It manufactures various kinds of treated woollen and knitted goods, and operates three plants, one at St. Jerome, one at Guelph, and the other at Montreal. There is also a U. S. subsidiary company.

The purchase of this public issue at the present time, is to finance the removal of the Montreal plant to St. Jerome. This will take place about May of this year, and will save the company, through economies in rent, power, and labor, sufficient to enable it to increase its net earnings by $90,000 per year.

The company has assets of $4,304,275, and net earnings, before bond interest, but after allowing for depreciation, and other charges, have been as follows: 1925, $142,484; 1926, $175,774; 1927, $212,486.

The common stock which is of no par value, is to be offered at $28 per share by Williams, Partridge & Rapley Ltd.

Prior to the common stock, the capitalization of the company consists of $551,800 of 6½ per cent. first mortgage bonds and $400,000 of preferred stock, par value $25 on which a dividend of $1.60 per annum is being paid. The company has a satisfactory record of success behind it.

### New Robin Hood Mills Are Now in Operation

The new Robin Hood Flour Mills are now in operation in Saskatoon. This is one of the finest and most modern flour mills in Canada. The mill building itself is six stories high. The whole structure is entirely of concrete and is absolutely fireproof. It provides for the operation of two separate units, each capable of producing 1,500 barrels of flour daily. It includes a new wheat washer that literally launders each wheat berry before being ground. Robin Hood Mills, Limited, are now operating three mills in Saskatchewan, besides their plant at Calgary, and have increased their capacity from 150 barrels daily in 1909 to 8,000 barrels daily in the present year.

Robin Hood Mills are controlled by International Milling Co.

## NEWFOUNDLAND CO. NEW FINANCING NOW COMPLETE

### International Paper Subsidiary Issues Bonds Yielding 5%

From Our Own Correspondent

MONTREAL.—The offering this week of $4,866,000 5 per cent. First Mortgage Bonds, in the newly-organized Interational Power & Paper Company of Newfoundland, Ltd., gives investors another opportunity to participate in a subsidiary of International Paper Co. This Newfoundland subsidiary, it will be remembered, was organized last year to acquire the business and properties of the old Newfoundland Power & Paper Co., which was incorporated in 1922 as a subsidiary of the Armstrong-Whitworth interests of England, and was sponsored by financial backing from the British and Newfoundland governments.

The new company will be operated as a subsidiary of International Paper, which owns all the $2,433,250 of common shares outstanding. In addition to a total funded debt of $24,617,000, the company has $10,122,320 of 5 per cent. cumulative preferred stock outstanding, which, it is understood, are held by the Bank of England.

The present issue of bonds is part of an authorized issue of £4,000,000. The remaining funded debt of the company consists of two junior issues of debenture stock, each of which amounts to $9,733,000. Both these issues of debenture stock were issued by the predecessor company, and are guaranteed as to principal and interest by the British Government and the Newfoundland Government, respectively. Details of the issue are as follows:

**$4,866,000**
**International Power & Paper Co. of Newfoundland, Ltd.**
5% First Mortgage Bonds, Series of 1928.
Dated Jan. 1, 1928. Due Jan. 1, 1968.
**Capitalization—**

| | Authorized | Issued |
|---|---|---|
| 5% first mortgage bonds | £4,000,000 | $4,866,000 |
| 4½% "A" Mortgage Deb. Stock | £2,000,000 | $9,733,000 |
| 5½% "B" Mortgage Deb. Stock | £2,000,000 | $9,733,000 |
| Purchase Money Mortgages | | 285,000 |
| 5% Pref. Shares, par value £1 | | $10,122,320 |
| Com. stock, par value £1 | | $2,433,250 |

**Security**—Secured by a first mortgage on the company's property, assets and so forth, which have an estimated value of $41,000,000.

**Properties**—Consist of a newsprint mill situated at Cornerbrook, Newfoundland, and having a capacity of over 400 tons per day; a hydro-electric power plant of 90,000 h.p. capacity; and 2,802 sq. miles of timberlands containing an estimated stand of over 6,000,000 cords pulpwood.

**Earnings**—Earnings available before depreciation and depletion, amounted to $2,179,340 for year ending Nov. 1927. Actual annual interest requirements of these bonds is $243,300.

**Control**—All the common stock is owned by International Paper Co.

**Offered**—Feb., 1928, by Harris, Forbes & Co., at 100 and accrued interest to yield 5%.

## BIG CASTINGS MADE BY DOM. FOUNDRIES

### Heavy Work Done for Welland Canal Lift Bridges

During the past year Dominion Foundries and Steel, Ltd., in addition to manufacturing their regular line of miscellaneous steel castings have successfully cast a large number of heavy intricate castings for bridges, hydraulic and electric generator installations.

The bridge castings included rope sheaves for Welland Canal Lift Bridges. These castings 13' in diameter, 3' 6" wide, with 1⅜" section of metal weighing 15 tons each were the first of this design made in Canada. Castings for hydraulic work included guide vanes, speed rings, shifting rings and runner castings. The accuracy required in runner castings makes them the most difficult known to the steel foundry industry.

Electric generator castings included large and small rotor spiders. A complete line of castings for railroad equipment included bolsters, side frames and couplers for freight cars; and locomotive castings included alloy locomotive frames of nickel and vanadium steels weighing four to six tons each. The organization is complete with chemical and physical laboratories, including equipment for microscopic work for keeping the melting and heat treating of steel up to standard quality. Without this as a basis steel foundries are working on the old rule of thumb and trusting to some foundry wizard to do magic in the way of making and melting steel, molding and coring steel molds, cleaning and heat treating steel castings. The successful founding of steel is now on a scientific basis.

In 1919 this company spent almost $2,000,000 installing a universal plate mill, the only one of this type in Canada, but owing to lack of tariff the mill has never operated, although import figures show monthly imports of 5,000 to 10,000 tons of plate.

## NATIONAL CEMENT RECEIVES OFFER

### Meeting Called to Consider Overtures to Purchase Stock

From Our Own Correspondent

MONTREAL.—The final move toward the clearing up of cement troubles in Canada is forecast by the special general meeting of the old National Cement Company which is called for February 10. The meeting has been called to consider an offer to purchase the preferred and common stock of the National Cement. The offer is believed to have come from the Elias Rogers' group, which at present controls the St. Mary's Cement Co.

The National Cement has suffered materially by the lower prices brought into effect in Quebec by its competitor, the Canada Cement Company. As both companies have changed hands within the last year or so, the present move is thought to indicate that this condition of affairs is at an end.

The old National Cement Company, whose shareholders have received the notice of a general meeting, was incorporated in 1923. In 1925, when the new company was organized, it gave new stock to the old shareholders in return for their assets, which amount to $700,000 preferred and approximately 50,000 shares of common. This common stock is held in escrow in the treasury of the old company.

The meeting which has been called will be asked to consider an offer of $90 per share for the preferred and $10 for the common stock. While no definite confirmation as to the source of this offer is available, it is understood that the purchasing interests are those associated with the St. Mary's Cement Company of St. Mary's, Ontario.

## CAN. DEPARTMENT STORES CONTINUES IN RECEIVERSHIP

### Offers to Buy Do Not Include One by Simpson's

Trade creditors of Canadian Department stores are said to have agreed to an extension of two months in the interim ownership of the company. G. T. Clarkson is in charge.

At a meeting this week, Mr. Clarkson showed the company to have $1,005,000 in cash on hand. In addition, $150,000 is expected from insurance on the North Bay store, recently destroyed by fire. Trade liabilities are in the neighborhood of $900,000.

Sales since December 1 have been made at a profit, it is said.

No scheme of reorganization has yet been worked out. Former owners of the individual stores that went into the merger and the financial interests concerned are said to be willing to accept a revaluation of their holdings, which would enable the private investors who purchased bonds to be fully protected.

At least three offers to purchase the properties have been received. These vary, but two of them are declared to be on a basis that would protect investors if the store-owners accepted a writing down of their holdings.

The name of the Robert Simpson Company was mentioned in connection with one of these offers but Sir Joseph Flavelle, chairman of the board, this week denied, in a statement to The Financial Post, that any offer had been made by his company or was contemplated.

Livestock handled during the year 1927, at Lethbridge, at the yards was double the total of 1926.

## WEEKLY RECORD OF FINANCING IN CANADA

### SALES BY MUNICIPALITIES, PROVINCES AND DOMINION GOVERNMENTS

| Place | Date Sold | Sold To | Rate | Maturity | Amount | Price | Cost Basis |
|---|---|---|---|---|---|---|---|
| **Municipal** | | | | | | | |
| North Bay | Feb. | A. E. Ames | 5% | 10 & 20-ins. | $114,430 | 101.11 | 4.85 |
| **Provincial** | | | | | | | |
| Quebec | Feb. | Wood, Gundy & Co., and Syndicate | 4% | 30-yr. | $5,000,000 | 96.688 | 4.18 |

### OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

| Bond Issues | Date Issued | Offered by | Rate | Due | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Zimmerknit | Feb. | R. A. Daly & Co. | 6% | 1941 | $750,000 | 100 | 6% |
| Starr Mfg. | Feb. | H. R. Bain & Co. | 6% | 1948 | 300,000 | 99 | 6.10 |
| City of Brisbane | Feb. | Kerr, Flemming, and Lee, Higginson & Co. | 5% | 1958 | 7,500,000 | 94½ | 5.35 |
| Paris Orleans Railroad | Feb. | Wood, Gundy & Co., and U. S. Syndicate | 5½% | 1968 | $10,750,000 | 96 | 5.75 |
| International Power of Nfld. | Feb. | Harris, Forbes & Co., and Associates | 5% | 1968 | 4,866,000 | ... | ... |
| Stock Issues— | | | | | | | |
| Hamilton Bridge Co. | Feb. | Drury & Co., and Syndicate | 6½% | Pref. | $2,250,000 | 100 | ... |
| | | (With bonus of 2½ shs. com. with each 10 pref.) | | | | | |
| B. C. Electric | Jan. | | ... | .... | 1,000,000 shs. | £1 | ... |
| Kirkland-Cobalt Mines, Ltd. | Feb. | Carson & Co. | ... | .... | 500,000 shs. | 25c. | ... |
| Hippodrome Vaude. Theat. | Feb. | Fidelity Securities Corp. | 7% | Pref. | 100,000 | 100 | ... |
| | | (With bonus of 5 shs. of com. with each pref.) | | | | | |

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TORONTO, FEBRUARY 10, 1928

## MORE INFORMATION

THE recent publication of the annual report of the Montreal Light, Heat and Power Company brings up the question of how much information the shareholders of a company are entitled to obtain. Not that the report of Montreal Power reveals less than other companies, but the perusal of the company's balance sheet reveals little to any shareholder. The profit and loss account, though, gives the full particulars of the company's profits and their disposition.

Not that the shareholders of this particular company are likely to complain—but in the past, grave injustice has been done to shareholders through the publication of either too conservative or too obscure balance sheets. For instance, any shareholder of the old Canada Cement Company, who sold his stock at $150 a share only a few months before the property changed hands at $250 a share, might well question the wisdom of a management which presents too conservative a picture of its affairs in its annual balance sheet.

From the balance sheet of Montreal Power little real information of the actual position of the company can be gleaned for the report shows no fixed assets; the investment in plant is carried on the books as securities of subsidiary companies.

Obviously shareholders of such ably managed companies as Montreal Power or the Canada Cement Company are not going to complain because of the conservatism of the management of these companies,—a conservatism which has resulted in such marked benefits to the shareholders. Moreover, shareholders in companies such as these would hardly criticize managements which are noted throughout the Dominion for their skill and their abilities.

Yet the habit of some of the outstanding companies in the Dominion in being obscure in their annual reports may lead to abuses by other companies whch are not so ably, so successfully and so efficiently managed.

## MORE IMPORTANT

TORONTO spends $6,750,000 a year for telephone services provided by a telephone company that is controlled by some 13,000 investors. It spends $5,300,000 for gas supply from another private company.

Each year it elects a city council composed largely of unintelligent men, who spend most of their time nagging at two corporations that give the citizens good service at costs that are definitely controlled. Such time as the councillors have left over is utilized in the careless handling of the $32,000,000 of money the city spends yearly.

A little more attention to the careful expenditure of the $32,000,000 of city money and a little less worrying about the $12,000,000 of citizens' money that is bringing efficient service cheaply would improve things all around.

## THE INCOME TAX

THE campaign for the abolition of the income tax may do more harm than good. This campaign is being chiefly pushed by an organization styling itself the Retail Trade Bureau of Canada, a dissentient offshoot from the larger Retail Merchants' Association of Canada. The bureau has won a good deal of publicity for itself by conducting this campaign with considerable vigor and persistency. It has won over a number of influential people and, of course, has the hearty encouragement of every one who believes that a nation can be run without taxes.

The income tax became part of our tax system during the war and is to that extent a war measure. Some day when Canada has practically recovered from the financial after-effects of the war it may be possible to drop the income tax entirely. But although the war is over, we are still paying for it directly in annual payments of $125,000,000 a year for interest on war debt and for pensions and indirectly in other governmental expenditures. The signing of the armistice did not make it possible to end war taxation.

The Retail Trade Bureau brings forward many reasons why it feels the income tax ought to be abolished. The tax forces Canada into competition with countries where no income taxes exist or where the income tax is light; it is only one of nine sources of government tax revenue; it places a double tax on dividends; it discourages investment of capital; it limits opportunities for employment; it penalizes personal enterprise; it lends itself to evasion; it taxes profits and allows nothing for losses; it opens the way for corruption. All these arguments are offered. Many of the statements would apply to any form of taxation. Most of them relate either to the level of income taxation and to the methods rulings under which it is enforced. And these suggest the real highways to relief.

Successive reductions in the income tax burden and elimination of the unfortunate features of the tax as at present imposed—double taxation of dividends, unequal assessment of different occupational groups, for instance—are highly to be desired. Persistent advocacy by business of its viewpoint that these steps should be taken will bring results at Ottawa. But a demand for complete abolition of the income tax, especially in the face of the farmers' demand that the tax be retained—is likely to result only in Ottawa throwing up its hands and doing nothing.

The minister of finance will not now abolish the income tax, but he will, if business demands it, further reduce it and improve its operation.

## PREYING ON BUSINESS

A FORTUNE, it is said, awaits the man who will invent a new vice. In the meantime, good incomes are being earned by professional inventors of new grievances. In the guise of association secretaries or campaign organizers, these opportunists prey upon business men.

American business men are familiar with this sort of quasi-extortion. A misfit in life, probably a man who has failed in business and who seeks light employment, forms the society for the Development, let us say, of the Manufacture of Gold Beaters' Leather, or the Organized Church-in-the-Factory Federation of America. One idea is as good as another. Then he proceeds to raise funds and to enroll members. He makes out a plausible case and soon has milked buiness for enough to set up a salary and expense fund. All he has to do to keep the graft mill running, is to make a show of presenting an occasional petition to Congress and grabbing off free space in the papers, usually devoted to glorifying himself.

In Canada, the work is a little more subtle. It must be, for Canadian business men are somewhat more hard-shelled than their neighbors. In this country, it is the customary thing to promote the formation of a trade association. If there is one already in the field, a second one is formed on the pretext that the first is being run in an arbitrary manner. To attract attention, a campaign of some sort is started, perhaps for the abolition of the income tax, or for raising the tariff on olive bottles, or far the erection of a shaving soap research laboratory at public expense. It is all pure bluff; the campaign inaugurated may be sound enough, but the money being raised is for the secretary or manager and he is usually incompetent to present the case to the public, even if he felt the necessity of making a show of action in order to bring in the next year's contributions.

Hardware and Metal recently took up this question and it indicated that an appalling sum has been contributed to movements that were from their origin bound to fail because they were on an unsound footing. It suggests that retailers, wholesalers and manufacturers should thoroughly examine the bona fides of any association's officials, or others who, under the cloak of officialdom or alleged prestige in their respective trades, initiative movements of various kinds for a certain charge.

Well-organized and well-managed trade associations perform exceedingly fine work for the business groups they represent. It would be a pity if their excellent opportunities were jeopardized by the evil effect on public confidence by the work of professional opportunists.

## RUST AND RESEARCH

RUST cost western farmers $6,000,000 in 1927. There are 42 different forms of wheat rust and according to Dr. J. B. Harington, of the University of Saskatchewan there are 22 that have been known to attack wheat in Western Canada.

About 50 workers are engaged in rust research work in Western Canada. It is to be feared that their efforts are not fully co-ordinated.

Rust is only one research problem of hundreds that federal research will advance.

## SHOPPING AT UNCLE SAM'S

CANADA'S purchases from the United States during 1927 were $835,000,000. This was $100,000,000 more than we bought from Uncle Sam in the previous year. Canada was the second best customer of the United States last year, but it is to be noted that, while in the previous year, Great Britain had purchased $235,000,000 more in the United States than did Canada, last year it bought only $5,000,000 more. In fact, the two countries were virtually on a parity as regards their importations from the States.

The $100,000,000 increase in our purchases from the United States may easily be misconstrued. It should occasion no alarm for it indicates no new and acute situation. We spend too much money across the border, it is true. The more prosperity there is in Canada and among its industries and people generally, the larger are our imports from the States. Buying in the States may not represent any particular accretion to our wealth but it is something of an index of our prosperity. A confectionery man remarked the other day "Tell me how much a nation spends on candy and I'll tell you how prosperous it is." Our importations from the United States include many imports that are sheer luxuries, for they are goods either produced in Canada or capable of being produced in Canada but they do show a large amount of prosperity. For instance a good purchasing power in Canada is always followed by large increases in our imports of iron and steel, and of coal and cotton.

The United States, as it is well known, does not buy from Canada as much as we buy across the border. Uncle Sam bought $475,000,000 of Canadians goods last year, practically unchanged from the previous year. The country to the south bought more from Canada than from any other nation in the world. But it did not buy enough.

Our traditional unfavorable trade balance with the United States continues, some years up and some years down. But there is no real improvement. American tariff policy is hostile to Canada. Canadian tariff policy favors importations of goods from the States. We are hardly in a position to bargain for concessions from Washington. It is the country producer who would benefit most from freer markets in the United States for Canadian goods. Yet it is country influences that have kept our tariff on a basis that precludes bargaining. This is more in the nature of an observation than a complaint. The tariff in Canada probably is as good a rough and ready compromise between conflicting views as political exigency could ever devise.

Development of Canadian iron ore resources; a more comprehensive Canadian-coal policy; and development of trade within the Empire are three among many developments certain to gain in strength that will help correct our trade balance with Uncle Sam.

## FIGURES AND FORESTS

THE New York Times used 98,343 tons of newsprint paper in 1927. This would have kept a 300 ton a day mill running continuously for the year. Such a mill would support a town of 5,000 people.

Consumption of this one paper increased by 5,000 tons in 1927.

New York Times is building a town in Northern Ontario around its Spruce Falls Power and Paper Corporation. The town is well laid out, and is being beautified by landscape gardeners.

When the New York Times sold 157,145,536 copies of its paper in 1927 it probably collected between $3,000,000 and $4,000,000 from its readers in circulation revenue. But it spent $6,000,000 in Canada for paper.

Big American newspaper circulations and fat Sunday papers add to Canada's wealth. Our job should be to conserve this valuable source of revenue by conservation, protection and planting that will insure forests for our future.

## SASKATOON'S DILEMMA

HOW interdependent are municipalities and with how jealous an eye municipal credit is regarded nowadays has been demonstrated recently in connection with a proposal from Saskatoon to institute legislation enabling it to disregard the restrictions upon borrowing imposed by the City Act. Saskatoon urgently needs power extensions. By the obsolescence of its present plant the city is faced with a large outlay in replacement and its borrowing power as at present restricted would not permit borrowing the sum, variously estimated from $1,300,000 to $1,500,000 necessary to build a new power house and equip the same. A loan of $700,000 would extinguish its balance.

The city proposed to introduce a private bill before the present session of the legislature conferring upon it the right to raise money on the credit of the city at large in excess of the 20 per cent. of the net assessment which is the present limit. This looked like a private affair for the Saskatoon citizens only. But the associaiton of Saskatchewan municipalities thought otherwise and at an executive meeting the question was debated and the attitude was distinctly unfavorable to the proposal. There was no failure to point out at this meeting that the present high credit standing of the municipalities was due to those very restrictions which it was proposed to set on one side. Moreover, the borrowers' money was obtained on the understanding that this margin of safety was to be observed. It was felt that any attempt to upset the existing arrangements either by placing prior liens, by the alienation of any of the city's assets from the general security offered to borrowers, or by undue disregard of the borrowing restrictions would react upon the general credit of Saskatchewan municipalities by the destruction of confidence hitherto existing.

One result of the situation may be that Saskatoon will sell its public utilities to private interests. The Saskatoon Star suggests that this be done.

It would be far better for Saskatoon to bring in private capital under a fair franchise than to endanger its credit standing.

## EDITORIAL NOTES

THAT radio version of the war of 1812 that came over American stations the other night was not conducive to international peace.

* * *

Headline in Mail and Empire, Toronto:

TIRED PUNCHING CLOCK GIRL WOULD LIKE HUSBAND.

* * *

THE FINANCIAL POST is not back of the reducing fad. Too many of our readers own Laura Secord, Hunt's and Fanny Farmer stock.

* * *

THE statement of the Western producer of Saskatoon, that "Bigger telescopes will bring the skies closer" is on a par with its belief that the wheat pool raises wheat prices.

* * *

SIR JOSEPH FLAVELLE once coined a phrase that could be applied to Senator W. L. McDougald figuring of the benefits of the St. Lawrence waterway. Sir Joseph would have called it "the magic of multiplication.

# FOLKS and Finance

THE world is full of industrial kings whose names are entirely unknown to the man in the street and even to many in Wall Street who consider themselves well informed, says Adams, in Barron's. One such example is Ivar Kreuger who some years ago was a construction engineer in New York. An uncle of his who owned a match factory in Sweden died, leaving the business, and young Kreuger went over to take charge. In a few years he controlled 75 per cent. of the world's match business and is still going strong. He is president of the International Match Co. with over 90 plants over the world.

HARRY OAKES who has made more millions out of Lake Shore Mine than a dozen ordinary millionaires could scrape together, is a great lover of youngsters. Recently he gave an $85,000 rink to the town of Kirkland Lake and explained that he did it for the boys and girls.

A Toronto man was up in Kirkand Lake with Mr. Oakes recently. They were walking over to the rink when a hobo—a scarce type in the North, stepped up to Mr. Oakes and tried to touch him for a dollar. Mr. Oakes turned him down coldly.

"Why not give him a dollar. You'd never miss it" said the Toronto friend. "You gave $85,000 for a rink. Why not a dollar to a poor misfit who probably needs it."

Mr. Oakes' reply, as reported by his friend, was brief and pointed. "I gave the rink for the kids. Grown up men can look after themselves."

IT WAS through Shaughnessy that General "Jack" Stewart got practically all of the western construction contracts on the C.P.R. up to the time of the war. Shaughnessy, then president of the company, called for bids for double tracking a long stretch of line. When he got the bids he thought they were too high. But Foley, Welch and Stewart were the low bidders. He sent for Stewart. "You'll have to come down on your bid," Shaughnessy told him.

"That is the lowest I can possibly do it," said Stewart.

"I believe in you" said Shaughnessy. "You think that is your rock bottom price, but I have enough faith in you to let you have the contract on a cost plus 5 per cent. basis. Will you take it?"

Stewart took the contract. The job cost $25,000,000. That was within $500,000 of Stewart's bid, and the $500,000 was in favor of the C.P.R. Thereafter, Stewart got most of the C.P.R. business.

Out West, they have a lot of faith in Stewart's honesty. He is said to have lost $3,000,000 building the Pacific Great Eastern. He could have made the government of British Columbia pay it, but he was at war and could not look after his interests.

Years ago, Jack Stewart loaned a big sum of money to a friend. For thirty years he drew not a cent of interest. He took practically worthless securities as collateral. When his friend died, Stewart put more money into the property represented by the securities and made it valuable. He sent fat cheques to all the relatives of his friend representing the profit on the stock he had taken as collateral. He was under no obligation, legal or moral to do so. But they say that Stewart does things that way.

# POST-scripts

THE province of Ontario gambles in the mines just like the average speculator. Whenever a new mining camp is opened up roads are necessary and when the province builds the roads it speculates on the success of the camp.

"We gambled half a million dollars on Kirkland Lake Camp in roads aind railway" said Hon. William Finlayson, minister of Lands and Forests, at a small luncheon the other day. "The returns were big. The market valuation of the producing mines of Kirkland Lake is $164,000,000 and that does not count one cent for the prospects."

# Comments

Remarkable Remarks by Interesting People

**T. L. Church, M.P.:** "When Canada is in trouble we always 'phone for the British fleet."

**Dr. Robert Magill,** secretary Winnipeg Grain Exchange: "Theories should be preached—and forgotten."

**W. G. Dawes,** vice-president of the United States: "Mediocrity requires aloofness to preserve its dignity."

**Michael Pupin,** scientist and inventor, of Columbia University: "There are many things which Tom, Dick and Harry cannot do; they lack intelligence and training."

**Philip Snowden,** British labor leader: "The greatest mistake the working people can make is to imagine that Tom, Dick or Harry is qualified to run a great business concern."

# Other People's Views

### U. S. Is Chief Backer

New Westminster British Columbian: One thing is clear about the project, St. Lawrence waterway, in the midst of much uncertainty, and that is that the driving force behind it is in the United States almost wholly. The Christian Science Monitor on one occasion estimated that forty millions of people across the line are interested in St. Lawrence development, and less than three millions in Canada.

# "Stop Me If You've Heard This One"

"I tell you this cold climate is great."

"That sounds nice from you, who generlly spend a lot of time at Palm Beach."

"That's just it. The cold climate gives me the energy necessary to make money enough to live in a warmer one."

# Parts of England Are Prosperous While Rest Lags

## Conditions Are Exceedingly Spotty in Old Country

## COAL TRADE'S PLIGHT

### All Sorts of Schemes Offered for Its Reorganization — Drastic Remedies Are Needed, Apparently

By JOHN A. STEVENSON

> **Another Article by John Stevenson**
>
> This is another in a group of articles written for The Financial Post by John A. Stevenson, following his recent extended visit to Britain. Mr. Stevenson, who is a frequent contributor to The Post is one of Ottawa's ablest writers and has recently been appointed Canadian correspondent of the London Times in succession to the late Sir John Willison.

Nothing strikes the visitor who attempts to make an appraisement of the economic situation in Britain so much as the amazing disparity which prevails in conditions in different parts of the country. There are extensive areas where business is desparately bad, much worse than in the memory of man or even in the records of economic history, and where thousands of people are living in a state of wretchedness which unless seen, would be incredible to the average inhabitant of this continent. On the other hand, there are places like the Birmingham area, and towns like Coventry which are enjoying positively boom conditions, where employment is plentiful, wages high and a good level of well-being is easily maintained by the working class population.

One noteworthy development is a gradual change in the scene of Britain's greatest industrial prosperity. In the middle ages and up to the eve of the industrial revolution, the main industries were located in the south of England, in places like Norwich, and counties like Wiltshire, but with the development of the northern coal fields and the advent of the steam age, industrial activity shifted to the north, and in the eighteenth century it was Lancashire, Yorkshire, Durham, Northumberland, and the Clyde Valley which were the main sources of industrial wealth and progress. It was there that what are known as the heavy industries were located, and their almost continuous prosperity attracted into these regions a tremendous population, and produced many great fortunes.

### Conditions Are Now Reversed

But to-day, it is these very regions which have long been the chief source of Britain's wealth, that are suffering from a deplorable economic stagnation, and are confronted with the very gravest problems. In 1921 there began a serious slump in the cotton trade and things have gone steadily from bad to worse, till to-day Lancashire is plunged in hopeless gloom. The factories which make for the present unhappy state of the cotton industry are numerous and varied. Firstly, for many lines of clothing, cotton has been ousted in popular favor by artificial silk; secondly, there has been an amazing development of the cotton industry in places like Japan and Brazil, which now supply local and other markets formerly served by Great Britain, and thirdly, after the war there was a most unfortunate boom in stocks of cotton companies which introduced large quantities of water and produced a dangerous overcapitalization. Strenuous efforts have been made both by employers and employees in the cotton industry to restore its prosperity; both sides have made great sacrifices, but so far their fruits have been meagre; scores of mills are either bankrupt or on the verge of this plight; wages have been reduced; employment is rife, and even the hereditary dourness of the Lancastrian breed finds itself daunted by the untoward conditions which afflict its staple industry.

### Partial Recovery in Ship-Building

The shipbuilding industry, which has its chief seat on the Clyde and on the northern English rivers, the Tyne and the Tees, was in a desperate plight at the end of 1926 through lack of orders. During the last year it has made a welcome but only partial recovery and if the stocks are much better filled than they were a year ago, they are still far from full. The dullness of the shipbuilding industry naturally affects seriously the iron and steel trades, and at the end of 1927, Middlesbrough, its chief centre, could only report thirty-nine blast furnaces blowing, as compared with the normal number of thirty-nine in pre-war days.

But on the other hand, the bright spots are quite numerous. The Government subsidies have produced a continuance of a heavy building programme of new houses which has been in progress since the war ended, and as a result, the year has been profitable for people furnishing builders' supplies, like cement, timber, plumbing material and electrical fixtures. There has been a boom in the radio and gramophone trades, which has kept thousands of people busy and a place like Derby has benefited from a tremendous demand for wires and cables. In several directions there has been a notable recovery of pre-war markets which seemed to have been lost. Kidderminster, for example, the main centre of carpet manufacturing has all its factories working full time, chiefly as the result of heavy orders from the Dominions and foreign countries, and the trade in ropes and twines for both the domestic and overseas market has undergone a great improvement. A wet summer brought briskness to the waterproof trade, and a new price agreement which has come into force in the china-clay industry promises a fillip to trade in Devon and Cornwall. The cutlery and electrical trades in Sheffield have at last managed to cope successfully with the menace of foreign competition, and have been able to export on a large scale to Australia.

### Organization Pays Dividends

In hosiery, slippers, hats and caps, Rochdale flannel and many lines of clothing, a steady business has been the reward of manufacturers who have adopted the latest methods of organization and pushed their wares in the available markets with energy and enterprise. The woollen industry in the south of Scotland has been enjoying a very prosperous time, partly as the result of a vigorous demand for high class woollen cloth in the United States, but the woollen manufacturers in many Yorkshire centres find themselves hard pressed to meet foreign competition. The motor industry has been enjoying very good times and a place like Oxford, which was once merely a seat of learning, is now an important hive of industry as the result of the growth of the industry which has been developed by W. R. Morris, the British replica of Henry Ford. The motor manufacturers claim that such prosperity as they enjoy is largely the fruit of the tariff protection which was secured to them a few years ago, and other manufacturers who have had access to the privileges conferred under the Safeguarding of Industries Act tell the same story. The lace industry of Nottingham, for instance, was completely in the doldrums two years ago, but its leading members now claim that the measure of protection afforded during the past twelve months has saved it from wholesale disaster, and given it some prospects of recovery.

### Industries Demand Protection.

Inspired by the example of these industries which have successfully procured protection under the Safeguarding of Industries Act, other manufacturers who are laboring with difficulties, are also demanding that it be applied to their own trades. Under the terms of the Safeguarding of Industries Act, the process of securing succour for depressed industries is somewhat complicated and a variety of obstacles have to be overcome before applications are granted. Time and time it transpires that finished material of one industry is the raw material of another, and the latter, with the assistance of the theoretical free trades put up a bitter fight before the special committees which examine the applications and usually carry the issue to the Floor of Parliament. There have, however, been substantial inroads made upon the free trade structure which has stood firm in Britain since the forties of last century, and one noteworthy development is the support often given by labor members to applications for protection. But the banking and shipping interests, which are solidly free trade in their sentiments, are still very powerful in the councils of the Conservative party and their influence has been successfully exhorted against any serious impairment of the main fabric of the free trade system.

### Plight of Coal Industry

Remains the coal industry, the fundamental plague spot of the situation. It has been reduced to its present desperate plight by a combination of circumstances. The equipment of such a multitude of ships with oil-burning engines has diminished the demand for steam coal navigation purposes, and South Wales, which was its chief purveyor, has been very hard hit; indeed the large imports of Welsh anthracite to Canada during the past year have been a perfect godsend to this particular coalfield. There has also been a serious curtailment of foreign markets in many directions. Italy and other countries which used to take large quantities of British coal are now developing a large volume of electricity for industrial purposes. Furthermore, it has been discovered that the transference of the rich Silesian coalfield to Poland as a penalty for the latter's sins was a profound error from the British viewpoint. This Silesian coal used to find a market in Germany, but now the Germans have developed new fuel resources within their own tariff wall, and refuse to buy the coal of Polish Silesia. It has to find a market somewhere, and aided by low freights through subsidies from the Polish Government, it has invaded and captured the coal markets of the Baltic formerly held by Britain. The net result is that while British coal production is being well maintained, the foreign markets for it have been steadily shrinking, and the prospects of their recovery or expansion are decidedly dim. Prices of coal have been falling steadily and have now reached a point where the great majority of the older mines are being operated at a loss; indeed only the new mines where modern plant has been installed and the seams are near the surface are showing any profit. It is indeed now generally admitted that there are at least 200,000 coal miners who have little prospect of ever again obtaining work at their old business and the problem of providing them with other employment has many baffling features.

### Scheme to Help Miners

Grandiose schemes of emigration for these derelict miners are freely suggestion; they are not exactly urban people like most factory workers, and have in many cases at least a nodding acquaintance with rural pursuits. But they are essentially a gregarious folk, and few of them would take kindly to the loneliness of pioneer farming life.

However, it is agreed on all hands outside a few diehard circles, that the mining industry needs wholesale and drastic reorganization and signs are now abroad of a gratifying rapprochment between the mine owners and miners, notably in the South Wales coalfield, which may pave the way for radical changes for the better. Lord Beaverbrook insists in his papers that the whole coal industry should be trustified and his scheme has considerable support both from employers and leaders of the miners.

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# As Others See Us

### St. Lawrence, and Party Tactics

Ottawa Journal: The Ottawa correspondent of The Financial Post, usually well-informed, gives a remarkable reason for the government's failure to mention the St. Lawrence waterway project in the Speech from the Throne. The reason given, stated badly, is that the government is using the question to play politics. A policy, apparently, has been decided upon. It involves a proposition, according to The Financial Post, whereby the government plans to have the entire waterways built without cost to the treasury. The two all-Canadian sections would be constructed by power interests who received the power. The international section would be constructed entirely by the United States, which, when the task was completed, would hand over one-half the power and a half share of ownership therein.

The Post correspondent goes on to say:

"Having framed the policy, the government, contrary to expectations, will not announce it. . . . It is understood that a course of reticence has been agreed upon. The government will be careful not to bring before parliament any measure which would involve a debate on the waterways: no flanks are to be exposed. It is hoped that private members, such as C. H. Cahan, will present resolutions for consideration and that in the rough and tumble debate which will follow, in which the cabinet ministers will guard their tongues, everyone of consequence will definitely commit himself to some scheme of development. Particularly, it is hoped, that Hon. R. B. Bennett will tie the Conservative party up to a definite policy."

This, if true (and it is partially borne out by the fact that the St. Lawrence question is not even mentioned in the Speech from the Throne) would not be creditable to the temper of the government. It would be a particularly severe commentary upon the Prime Minister's position, who, only a few days ago, declared the St. Lawrence question "the gravest to come before Canada since Confederation."

A great national project like the St. Lawrence should not be a matter of party tactics in parliament. The government, if it has a policy, should announce it.

Recently, a Toronto gentleman, who had been the recipient of some old solid-silver cutlery, thought he would like to get an idea of its weight and approximate date of manufacture.

He asked an assistant in the silverware department of a large departmental store to direct him to the antiquarian, but was informed that they did not sell gold fish on that floor.

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# Background of Canadian Business

By JOHN E. LANGDON, Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

## Business Volume on About the Same Level as Last Year
## Small Stock Carryover Strengthens Industrial Situation
## Marketing of Automobiles Slightly Less During 1927
## Manufacturing Operations Show Signs of Speeding-up
## Railways Are Doing Better as Shown by Car Loadings

BUSINESS activity in the past two months has been on a scale about the same as the corresponding period in 1927. There has been the usual recession in seasonal industries and in regular industries, due to stock taking and overhauling of inventories. The present quarter is expected to show a considerable recovery but it will not solve the mystery of the setback during the last half of the past year. The truth is that we do not yet know what was the real cause of that reaction, and we probably shall not understand it until it can be judged in the light of the present year's events.

It may possibly have been an interlude between two periods of full activity. A prolonged trade depression is generally considered a thing of the past. We have not fully accustomed ourselves to this new economic order nor can we determine with any degree of accuracy how sweeping may be these reactions. The one just passed was brief and it may be the forerunner of others. The once-familiar stretch of discouragement and uncertainty while industry is recovering from the shock is not likely to be repeated.

In comparison with the beginning of 1927, the present rate of production compares favorably. The sharp upward movement last year did not commence until March. From then on till June there was a steady increase in the physical volume of business. Indications now are that a similar movement will take place this year, though it is not expected that fluctuations will be as widespread.

There is no reason to expect a marked improvement in the industrial situation for at least another month, when spring operations will get under way. Stocks carried over from last year have been partially successful in meeting new orders, but a speeding-up of production may be expected by the end of this month.

When the question is asked, how far the recovery in trade will go, the inference of careful observers is less positive. It is possible to argue that the severity with which last Autumn's industrial production was curtailed is itself a reason for expecting equally emphatic expansion, now that the turn has come. The course of production, after the shorter halts during 1926 and 1925, gave at least a precedent for that result. Yet, on the other hand, nobody is yet able to explain convincingly the reason for the much longer reactionary movement of 1927, which makes it difficult to judge whether all the causes then operating have been removed. Perhaps the general run of opinion is that the country's buying power has at least not been visibly impaired, that in some directions it is greater than it was last year, and that it therefore should be able to sustain a substantially increased production.

In actual fact the year is off to a good start. The Government's budget will be brought down within a week's time and anticipated reductions in taxation are expected to be more substantial than those of last year. Tariff changes also will be announced at the same time. For several months the Tariff Board has been hearing applications for changes in existing rates and a number of recommendations have been made to the Minister of Finance.

The iron and steel industry which lagged behind the other major branches of industry last year, now seems to be securing a larger share of the new business offering. The railways will likely buy more steel than they did last year. Automobile makers and implement manufacturers also will be in the market for larger purchases.

Prospects in the automobile field are somewhat better. Lower prices and keener competition will feature this industry during 1928, but production should establish a new record. Output during the last five months of 1927 fell off sharply, but the change in models now has been effected and buying in large volume should be forthcoming.

Domestic consumption of motor cars last year amounted to 158,220 units, or slightly under the 159,098 reported for 1926. Taking the population at 9,519,000 in 1927 and the number of cars made at 179,383, it follows that automobile manufacturers made one new car for every 53 persons in Canada, while in 1926 production averaged one car to 46 persons and in 1925 the ratio was one car to 57 persons.

The number of new cars made available for consumption last year was one to every 60 persons; in 1926, one to 59; and in 1925, one to 90. On a monetary basis, Canadians spent on new motor cars in 1927 over $120,000,000. This does not represent maximum buying power, as a large number of potential automobile owners did not enter the market owing to uncertain marketing conditions. Consequently it is expected that the domestic market in 1928 will be able to absorb a larger number of motor cars than ordinarily, on account of the carry-over of buying from 1927.

The only index of business conditions at the moment is that of car loadings. While not the most accurate, the movement of freight closely follows the general trend of business and on that account is given close consideration. In the first four weeks of January, loadings totalled 137,811 cars, as compared with 138,087 and 134,523 in the corresponding periods of 1927 and 1926. It should be noted, however, that returns for 1927 do not include New Year's day as do those for 1928.

Analysis shows that the Western provinces have made the largest proportionate gain this year, although the decrease in the Eastern division is insignificant. Much of the increase in the West is due to the heavy movement of grains and grain products. This means the putting into circulation of large sums of money, which should result in a better demand for merchandise, machinery, etc.

Taking the situation as a whole, there is a generally healthy improvement in the movement of all classes of revenue freight. Livestock, lumber and miscellaneous are the only divisions to show a downward trend. These in turn are offset by substantial increases in the movement of grains, coal, coke, pulpwood, pulp and paper, and ore. Merchandise shipments remain about the same as last year.

Some 250 young men and women of peasant stock arrived in Montreal and continued on to the West where positions on farms awaited them.

## Canadian Business Indicators

Compiled weekly by The Financial Post

| | Latest 1927 | Latest 1926 | To Date 1927 | To Date 1926 |
|---|---|---|---|---|
| **Production—** | | | | |
| Pig iron, tons (Dec.) | 63,197 | 53,971 | 109,697 | 757,317 |
| Steel, tons (Dec.) | 96,248 | 58,493 | 907,638 | 776,888 |
| Newsprint, cwts. (Dec.) | 181,600 | 163,177 | 2,086,949 | ...... |
| Automobiles (Dec.) | 3,435 | 7,725 | 179,426 | 205,092 |
| Automobiles (Dec) | 3,435 | 7,725 | 179,383 | 205,116 |
| Boots and shoes, pair (Dec.) | 1,411,517 | 1,474,439 | 17,731,514 | 17,563,784 |
| Flour, bbls. (Nov.) | 2,120,116 | ..( 3 mos.) | 6,810,910 | 6,998,727 |
| **Construction—** | | | | |
| Contracts awarded (Jan., 1928) | | | | $20,480,000 |
| Building permits (Dec.) | $11,744,094 | $11,508,818 | $185,451,271 | $156,386,607 |
| **Labor—Employment index, Jan., 1928—** | | | 99.5 | 94.8 |
| **Transportation—** | | | | |
| Car loadings (to Jan. 28, 1928) | 11,644 | 7,634 | 48,463 | 38,081 |
| C.P.R. gross (Dec.) | $18,767,251 | $17,791,980 | $201,145,751 | $198,025,591 |
| C.P.R. (net) (Dec.) | 1,673,166 | 1,616,182 | 39,515,571 | 44,945,126 |
| C.N.R. gross (Nov.) | $23,699,965 | $23,501,587 | $243,408,396 | $240,213,168 |
| C.N.R. net (Nov.) | 6,777,333 | 7,191,257 | 40,118,930 | 44,334,776 |
| **Elec. Power—Generated—** | | | | |
| Thousand kil. hours | 1,082,126 | 1,015,119 | 11,026,118 | 10,129,503 |
| **Population—** | | | | |
| Emigration (Nov.) | 7,055 | ..... | (5 mos.) | 39,549 |
| Immigration (Dec.) | 4,566 | 5,415 | *128,928 | *114,035 |
| **Trade (Dec.)—** | | | | |
| Imports | $83,262,695 | $81,774,995 | $1,087,117,930 | $1,008,341,911 |
| Exports | 130,277,157 | 138,421,475 | 1,218,336,773 | 1,268,581,976 |
| **Imports of key products (Dec.)—** | | | | |
| Rubber, lbs. | 5,156,384 | ..(12 mos.) | 59,145,951 | 45,366,960 |
| Cotton, lbs. | 19,198,230 | ..(12 mos.) | 136,232,068 | 134,690,811 |
| Sugar, cwt. | 247,007 | ..(12 mos.) | 9,539,653 | 11,299,111 |
| Petroleum, gals. | 67,625,527 | ..(12 mos.) | 804,133,751 | 667,627,576 |
| Coke, tons | 58,863 | ..(12 mos.) | 772,235 | 988,034 |
| **Exports of key products (Dec.)—** | | | | |
| Newsprint, cwt. | 3,384,043 | ..(12 mos.) | 37,637,308 | 34,639,718 |
| Automobiles, pass. (No.) | 1,857 | ..(12 mos.) | 39,900 | 53,628 |
| Wheat, bush. | 44,808,700 | ..(12 mos.) | 255,062,225 | 250,116,414 |
| Wheat Flour, bbls. | 956,762 | ..(12 mos.) | 9,262,936 | 10,456,916 |
| **Finance—** | | | | |
| Failures, number | ..... | ..... | 2,182 | 2,196 |
| Failures, liabilities | ..... | ..... | $34,461,595 | $37,082,882 |
| Bank Debits, (Dec.) | $4,274,077,902 | $2,843,153,843 | $36,093,503,098 | $30,358,034,018 |
| Bond Sales (Dec.) | $16,711,620 | $13,026,009 | $617,114,900 | $573,229,879 |
| Stock prices index (Jan. 7, '28) | ........ | ........ | 597.3 | 229.3 |
| Insurance sales (Dec.) | $48,899,000 | $46,777,000 | $502,438,000 | $471,040,000 |
| **Wholesale prices (1913-100)—** | | | | |
| General Index | ........ | ........ | 151.6 | 156.2 |
| Iron (Nov.) | ........ | ........ | 141.4 | 145.7 |
| Cotton | ........ | ........ | 165.7 | 106.5 |
| Grains | ........ | ........ | 163.1 | 158.0 |
| Cattle | ........ | ........ | 127.1 | 91.7 |
| Rubber | ........ | ........ | 60.9 | 64.8 |

*Nine months.


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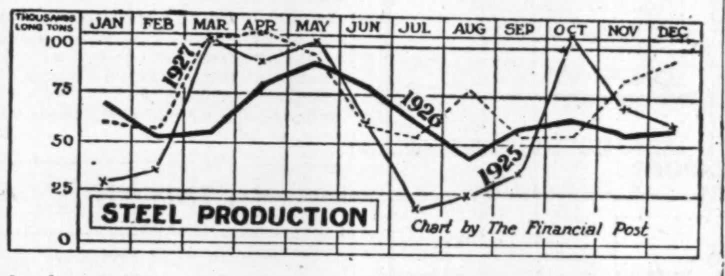
# Major Industries Off Sharply in December

## Aggregate Index of Physical Volume of Manufacturing Advances Fractionally, But Heavy Decline Recorded in Sugar and Automobile Output

Manufacturing was more active in Canada during December last, judging by the Government's index of the physical volume which advanced from 140.3 in November to 140.7. This is further evinced by the actual figures of production, but there are one or two changes of importance which one is apt to overlook when making a comparison of the index figures.




The most important change in the manufacturing field is to be seen in the production of motor cars. During December 3,435 units were turned out, as compared with 6,617 in November and 7,752 in the same month a year ago. Accordingly the index figure dropped from 88.0 in November last to 44.0 in December. This decline is more pronounced in view of the fact that the December output was the smallest recorded since 1923.

### Unfavorable Conditions

Conditions were unfavorable for a large production during December. The introduction of new models and general uncertainty regarding new prices held off buying. Moreover, buyers do not want delivery made until after the winter is over. A large number of orders have undoubtedly been placed for Spring delivery and it is expected that production will be stepped up shortly to meet deliveries.

The other change of importance took place in the manufacture of sugar. Production in December, amounting to 29,524,000 lbs., was the lowest for any one month recorded in several years. The index on volume dropped to 37.9—the lowest since 1919.

### Supplies Lacking

This adverse situation in the sugar refining industry may be explained by the inability of the operators to secure regular supplies at a price which would make it profitable for them to manufacture. The Cuban growers have formed an association for the regulation of supplies which to date has tended to restrict trade. Of a total crop of 600,000 tons, the authorities have sold only 340,000 tons, which portion went to European buyers at an enhanced price.

Analysis of returns for the other industries, however, are more favorable. Rubber and cotton imports do not show any falling off; in fact, are larger than they were at the same time in 1926. Newsprint production, while off slightly in December, is still well above the average. Pig iron and steel production took a sharp upward swing in December, the first of any importance for some time. Coal output and imports of petroleum compare favorably with other months, as also do other factors taken into consideration in compiling the index on the physical volume of manufacturing.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## *Business Conditions in United States*

The dollar volume of trade during the week ended January 28, as seen from figures covering check payments, was smaller than in the preceding week, but greater than the corresponding week of 1927, according to the weekly statement of the Department of Commerce. The general level of wholesale prices made a slight decline from the preceding week, being lower also than in the same week of the previous year. Prices for cotton continued to weaken, but were still considerably higher than in the corresponding period of a year ago. Iron and steel prices again averaged higher than in the previous week, but were lower than in the same week of 1927. Receipts of cotton into sight were less than half as large as in the same period of the preceding year.

Loans and discounts of Federal reserve ratio averaged higher than in the from the preceding week, but were still substantially larger than in the same period a year earlier. The Federal reseve ratio averaged higher than in the previous week, but was lower than a year ago. Prices of stocks made a substantial gain over the previous week, being higher also than in the same week of 1927. Bond prices made no change from the preceding week, but averaged higher than in the corresponding period of last year. Interest rates on call loans averaged lower than in either prior periods, while time-money rates made a similar comparison. Business failures were more numerous than in either the previous week or the same week in 1927.

Production of bituminous coal during the week ended January 21, was smaller than in either the previous week or the same week of 1927. Lumber production during the same week showed increases over both prior periods. Petroleum production averaged higher than in the previous week, but was lower than in the corresponding week of last year.

WEEKLY BUSINESS INDICATORS
Relative Numbers Average 1923-1925=100

| | Jan. 21 1928 | Jan. 22 1927 |
|---|---|---|
| Bituminous-coal production | 99.8 | 138.3 |
| Lumber production | 101.4 | 86.8 |
| Beehive-coke production | 34.3 | 75.9 |
| Petroleum production (daily av.) | 114.3 | 114.7 |
| Bldg. contracts 37 states daily av. | 82.1 | 66.5 |
| Freight-car loadings | | 98.3 |
| Wheat receipts | 77.8 | 58.4 |
| Cotton receipts | 68.1 | 159.6 |
| Cattle receipts | 86.7 | 94.9 |
| Hog receipts | 132.5 | 98.9 |
| Fisher's price index | 93.2 | 94.0 |
| Debits to individual accounts | 131.3 | 119.4 |
| Interest rates, call money | 97.0 | 100.0 |
| Business failures | 148.9 | 150.4 |


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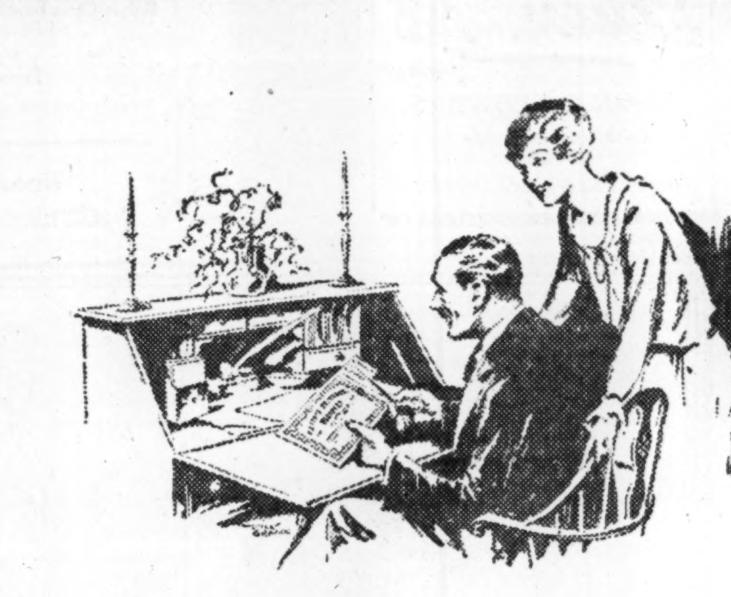
RECORDS ANOTHER SUCCESSFUL YEAR
The Portage la Prairie Farmers' Mutual Fire Insurance Company
Forty-Fourth Annual Report

| ASSETS | | LIABILITIES | |
|---|---|---|---|
| Cash Assets | $ 427,108.12 | Reserve for Cash Premiums | $ 20,000.00 |
| Buildings, Furniture, Trucks and Equipment | 18,200.00 | Losses Reported but Unadjusted | 3,249.40 |
| 1927 Assessments Unpaid | 32,518.45 | Surplus of Assets over Liabilities | 1,292,161.67 |
| Balance of Unassessed Premium Notes | 837,584.50 | | |
| | $1,315,411.07 | | $1,315,411.07 |

Insurance written during 1927 ............ $22,266,312.00
Increase for the year 1927 ............ 726,240.00
Total amount of business in force ............ 65,381,656.00
STRATTON WHITAKER, Secretary-Manager
E. H. MUIR, President
M. G. TIDSBURY, Vice-President
A. H. THORPE, Treasurer
This Company is essentially Manitoba's Own Farmers' Mutual, as its entire business is confined to the Province of Manitoba, and has been so for the past 44 years, and is the only Mutual Company issuing a combined Fire, Lightning and Windstorm policy, with Blanket Covering.

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# MUTUAL LIFE'S 1927 REPORT REFLECTS THE PROSPERITY OF DOMINION OF CANADA

## President Hume Cronyn and General Manager Somerville Present Splendid Analysis of Company's Operations to Policyholders at 58th Annual Meeting

### YEAR'S RECORD OF MUTUAL LIFE OF CANADA

Waterloo, Ont., February 2.—The rising tide of prosperity in Canada is reflected in the Annual Report of the Mutual Life of Canada presented at the fifty-eighth Annual Meeting of the policyholders of the Company held at the Head Offices here today.

"The general prosperity which prevailed throughout Canada during the past year," said Mr. W. H. Somerville, the General Manager, in his address covering the Annual Report, "the steady improvement in agriculture, and the good tone of business, not only enabled our efficient agency staff to produce a healthy increase in the volume of new business written, but also placed our investments in a highly satisfactory condition."

Mr. Somerville pointed to the new assurances written during 1927, a gross amount of $52,295,136, as compared to $50,039,348 in the year previous. An analysis of these figures showed that the average policy issued in 1927 was for a larger sum than the average of 1926—a desirable feature. In the past three years 25% of the Mutual Life's new policies were written with the Disability Benefit Clause and 22% with the Double Disability Benefit. Death losses for 1927, Mr. Somerville showed, were remarkably low.

"We continue to encourage our policyholders to safeguard their good health by offering, at the Company's expense, periodical health examinations by experienced physicians. Advantage is quite generally taken of this service."

Mr. Somerville analysed the sound investment position of the company in detail, showing 79.1% of its total bond holdings to be invested in Government and Municipal bonds.

"The record of 1927," said Mr. Somerville in conclusion, "is evidence that our Company continues to fulfil its mission of safeguarding funds entrusted to its care and using them to the best advantage for the important purposes for which they have been received. The report which has been presented should serve to increase the confidence which the public continues to manifest in life insurance. The outlook for 1928 seems quite as bright as were the prospects a year ago, and it is confidently anticipated that the current year will prove an equally successful one with the Company.

**High Lights from 1927 Report**

The satisfaction which President Cronyn and Mr. W. H. Somerville expressed in the results of the year's operations as shown by the report are summed up in brief in the following table of results for 1927:

**Surplus Earnings $4,501,387**
Surpassing those of 1926 by $360,000.

**New Business Written $52,295,136**
All written in Canada and Newfoundland.

**Assurance in Force $386,712,481**
A net increase of $32,600,000.

**Total Assets $89,233,343**
An increase of $8,600,000.

**Policyholders' Dividends $3,646,105**
An increase of $550,000 over 1926.

**Surplus Funds and Special Investment Reserves $11,829,283**
Rate of Interest Earned 6.46%
Expense Ratio .......14.44%

### President Cronyn's Address

The General Manager's address was followed by that of the President, Mr. Hume Cronyn, who expressed hearty satisfaction with the Company's progress during 1927.

"As has already been pointed out by the General Manager," said Mr. Cronyn, "the results of the year just closed have surpassed all our previous records. Whether we take new business written, net increase of insurance in force, or additions to our special reserves and surplus funds, we can, (adopting a famous phrase) rest satisfied that co-operative assurance 'of the people, by the people, for the people, shall not perish from the earth.'"

Mr. Cronyn then alluded to a gratifying fact which had not been mentioned in the General Manager's remarks.

"Our policyholders," said Mr. Cronyn, "will be gratified to learn that our ratio of expense has dropped to the lowest point in the Company's history."

Mr. Cronyn traced the course of the Company's investments showing that real estate holdings had shrunk to a comparatively trifling figure. There was a downward tendency, however, in interest rates, and nearly all classes of securities were affected.

### Interest Rate Maintained

"Thanks to the foresight of our Investment Committee," said Mr. Cronyn, "heavy purchases made in past years of long-date bonds yielding a high return have to date helped to counteract the prevailing condition. It seems, however, clear that we are facing an era of lower rates of interest, and, in common with other like investors, that we must perforce be satisfied with diminishing returns.

"Unfortunately for us," Mr. Cronyn continued, "as policyholders the decline in rates of interest over practically the whole continent, is a matter beyond our control. It is but one of the many items which bring home to us the fact that we have emerged from the shadow of the Great War, and that we live alongside a nation teeming with wealth whose unemployed capital, unhampered by tariff or artificial restrictions, of necessity flows into channels commanding the confidence of the investor."

### Increased Value of Holdings

To offset lower interest rates, Mr. Cronyn called attention to the sharply-increased values in bonds purchased by the Company when interest rates were high.

"Taken at the values fixed by the Department of Insurance in Ottawa, our holdings are worth three million dollars more than the total shown in the statement before you. In the second place, there is a distinct advantage to Canadian borrowers, whether they be Governments, municipalities, Corporations or individuals, in being able to secure funds at rates much below those prevalent a few years ago.

"In the meanwhile, there remains the problem of investing your funds so that they may be secure beyond question and yet yield a reasonable return. During the current year we shall have twelve millions of dollars for investment. Government or high-grade municipal bonds, when available, have risen so sharply in price that they yield less than 4½%, while the best type of corporate bond gives a return of 5% or less."

### Preferred Corporation Stocks

"Bearing in mind the large sum to be invested, and the facts above noted, your Directors, after careful consideration," said the President, "have decided to invest a modest portion of the Company's funds in preferred stocks of well-established and prosperous corporations. In making this departure from the former investment policy of the Mutual Life, the Board has been guided by the practice governing British Life Offices and by strictly limiting the amount to be invested in any one stock, and by spreading such investments among Corporations of varying types operating in different geographical areas, there will be attained that diversity of risk which in the Old Land has over a lengthy period proven so beneficial. Needless to say, in selecting these—to us—new avenues of investment, our old-time motto of 'Safety First' will prevail; only those Corporations—the record and reputation of which will bear the closest scrutiny—will be approved."

The retiring Directors, Messrs. J. Kerr Fisken, Toronto; L. J. Breithaupt, Kitchener; Major-General Hon. S. C. Mewburn, K.C., Hamilton; Mr. T. A. Russell, Toronto, and Isaac Pitblado, K.C., Winnipeg, were re-elected.

At a meeting of the board, held subsequent to the Annual Meeting, Mr. Hume Cronyn, London, Ontario, was re-elected President; Mr. R. O. McCulloch, Galt, 1st Vice-President; Mr. J. Kerr Fisken, Toronto, 2nd Vice-President, and Mr. C. M. Bowman, Chairman of the Board.

In addition to these, and the Directors re-elected, the following are also members of the Board: Mr. W. G. Watson, Toronto; Sir Lomer Gouin, Montreal; Mr. Louis La Course Lang, Kitchener; Mr. Glyn Osler, K.C., Toronto; Hon. J. Fred Fraser, Halifax; Mr. W. J. Blake Wilson, Vancouver, and Mr. E. J. Long, K.C., Toronto.

# Pulp & Paper

## ABITIBI BENEFITS IN SPANISH FUSION BY LOWER COSTS

### Greater Utilization Made of Merger Company's Lower Cost Mills

From Our Own Correspondent

MONTREAL.—The chief direction from which the Abitibi Power and Paper Company will benefit by the merger with Spanish and the other component companies of the consolidation, lies in the savings which will result from the greater utilization of the new merger company's lower cost mills. At a time when the demand for newsprint is so much below the capacities of the mills on this continent, Abitibi, and its component companies, instead of operating each mill at say 80 or 85 per cent. of its rated capacity, will be able to operate low cost mills such as Manitoba or St. Anne at 100 per cent. capacity, while the other and older plants will operate on a production scale comparable with the demand for the new company's output.

The savings which will result from the fullest use of mills such as Manitoba or St. Anne, as compared with operating some of the older Spanish River machines are manifest. Moreover, Manitoba is strategically located to fill the requirements of Western newspapers, whilst St. Anne, through its location, can supply part of the requirements of papers located on the eastern seaboard.

The Fort William mill is another low cost plant. It is located on the shores of Lake Superior where it obtains its raw materials by water. The pulpwood supply floats down the rivers into Lake Superior and is gathered together on the lake right at the mill. The logs are protected from storms by a breakwater. In addition the Fort William mill can ship particularly cheaply to points located on the Great Lakes.

**Interesting Point**

The Abitibi Company's Murray Bay mill goes into operation about April next with a production of 130 tons daily. An interesting point which has never been published about this plant, is that when it goes into operation it will not increase the total production of this continent; for the Murray Bay Paper Company has purchased its two 65-ton newsprint machines from the Tidewater Company in the United States. The United States company is thus to reduce its output by the same amount as the Murray Bay Paper Company's production.

The mills of the Abitibi Company have always been recognized as among the foremost low cost producers on the continent, yet it can be seen that in many instances, due to the long rail haul from the Abitibi plant, the merger company will make savings by using the new and perhaps more strategically located mills to the fullest extent.

The fact that savings can be effected in this fashion is the more satisfactory as newsprint men generally see at least two years more of dull times in the newsprint industry. It is estimated that it will be at least two years before the demand for newsprint in the United States catches up to the still steadily expanding capacities of the North American mills.

**Outcry Dies Down**

The outcry which was raised in some quarters regarding the terms offered the Spanish River preferred shareholders in the Abitibi-Spanish merger appears to be dying a natural death. Marketwise, there is no doubt that the common shareholders of Spanish fared much better than the preferred shareholders. But the preferred shareholders of Spanish seem to realize generally that while the common shareholders fared well on the deal, it does not necessarily mean that the preferred were ill-treated.

Some Spanish preferred shareholders still retain an injured feeling regarding the offer made to them, but the majority realize that for the past four years, Spanish earnings have been steadily declining to a point where last year it was only able to transfer $165,000 to surplus after paying dividend charges. Even in its 1924 year, when the company earned 36 and 17 per cent. respectively on its preferred and common, there was no talk of the preferred shareholders obtaining a large dividend disbursement. From this it can be seen that any hope which Spanish River shareholders might have had for larger dividends during the year just concluded lay in the possibility of a merger with Abitibi.

This has been achieved and Spanish preferred have obtained the larger disbursement for which they have waited so long and for which there seemed to be no hope—unless there were a merger. In obtaining the common stock of the new company, Spanish preferred participates in the possible increase in earnings of the new merger to an extent proportionate to the possibility of increased dividends on the old Spanish preferred.

## Brompton Pulp and Paper Show Increase for 1927

From Our Own Correspondent

MONTREAL.—Forecasts of the annual report to the Brompton Pulp and Paper Company have been published which indicate that the annual report for the 1927 fiscal year will reveal earnings of $5.80 on the then outstanding 140,000 shares of no par value common stock. This figure would be the equivalent of $5.50 on the 150,000 shares of stock now outstanding. Last month, it will be recalled, Brompton sold privately an additional 10,000 shares of its stock.

Gross earnings of the company for the year, 1927, it is said, amounted to $1,462,000 as compared with $1,240,954 for the previous year. Bond interest, depreciation, preferred and common dividends, absorbed nearly $900,000, and $560,000 was transferred to surplus account, which amount, when added to the accumulated surplus makes a total surplus of nearly $6,150,000.

The next session of the Ontario Government may remove the 50 cents per gallon tax now imposed on Ontario-made wines.

The Prairie fur trade of the region from Lethbridge to Medicine Hat continues to net hunters and trappers good results financially and many buyers from distant points are in the field.

## Paperboard Handles Its Own Expansion

From Our Own Correspondent

MONTREAL.—The erection of the Canadian Paperboard's new plant in Toronto is being financed from the liquid assets of the company; ultimately it seems probable that Canadian Paperboard Company may undertake new financing to reimburse itself in part for these expenditures.

It is anticipated that the new mill will begin to operate about the middle of the coming summer. Its daily output will run to between 75 and 100 tons. Thus by the end of the current year, the productive capacity of the plants will be increased from 125 tons daily to a maximum of 225 tons—a feature of the company which has a decided bearing on its earning power.

At the present time three modern paperboard mills are operated; they are located at Montreal and at Campbellford and Frankford, Ontario. In addition, the Quinte and Trent Valley Power, a subsidiary, is operated and supplies low cost power to the two plants in Ontario.

## BATHURST POWER ISSUES PUBLICLY COMMON STOCK

### Management to be Under Control of Canadian Inter. Paper Co.

From Our Own Correspondent

MONTREAL. — The Bathurst Power and Paper Company is making a public stock offering amounting to 400,000 shares of class "A" common stock of no par value. The company, recently purchased by the Nesbitt, Thomson Co., was incorporated to take over the Bathurst Company which has been operating since 1907. The company owns and operates a newsprint and pulp mill at Bathurst, New Brunswick, with a daily capacity of 65 tons of newsprint paper, 75 tons of kraft pulp and 65 tons of sulphite pulp. Installations no under way will increase this capacity, to 130 tons of newsprint by July, 1928.

In addition to its plant, the company has leasehold timber limits in New Brunswick and Quebec comprising approximately 2,625 square miles and estimated to contain over 18,000,000 cords of pulpwood. Through a subsidiary, the Bathurst Electric and Water Power Company, the company controls and operates a hydro-electric plant at Great Falls on the Nipisiquit River, New Brunswick, with an installed capacity of 10,000 horsepower and a potential capacity of 50,000 horsepower.

Arrangements have been concluded whereby the management of the property will be under the control of the Canadian International Paper Company which has acquired a substantial interest in the company's stock. The particulars of the issue follow:

**400,000 Shares**
**Bathurst Power and Paper Company, Limited**
**Class "A" Common Stock (No par value)**

| Capitalization: | Authorized Shares | Issued Shares |
|---|---|---|
| Class "A" com. (n.p.v.) | 750,000 | *400,000 |
| Class "B" com. (n.p.v.) | 500,000 | 300,000 |

*See Special Features.

**Business:** The company operates a newsprint and pulp mill at Bathurst, N.B., with a daily capacity of 65 tons of newsprint paper, 75 tons kraft pulp and 65 tons sulphite pulp. Additional installations now under way will increase capacity to 130 tons per day by July, 1928. Other properties include 2,625 square miles of timber limits and the hydro-electric plant with an installed 10,000 horsepower capacity and a potential capacity of 50,000 horsepower.

**Assets:** Are equivalent to about $60 per share on Class "A" stock.

**Earnings:** Average earnings for the past three years before depreciations, depletion and income tax, amount to $850,000 per annum.

**Management:** The properties will be under the management of the International Paper Company.

**Offered:** February, 1928, at $40 per share, carrying a bonus of one share of Class "B" stock with every 4 shares of Class "A" stock, by Nesbitt, Thomson Co.

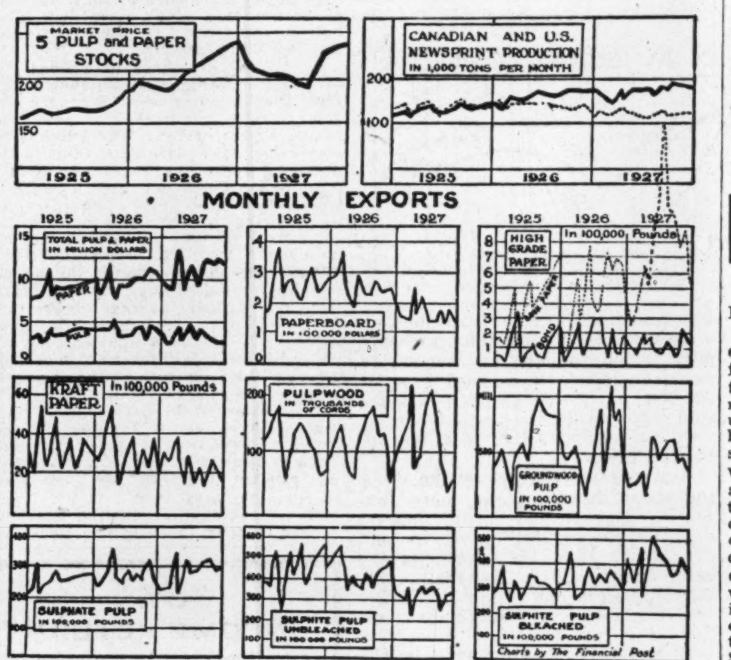
**Special Features:** Class "A" stock is non-voting unless the company sells its assets as an entirety is callable at $65 per share; is entitled to $2 per share per annum dividend in preference to Class "B" stock; dividends are afterwards to be distributed equally share for share. Should dividends on Class "A" amount to $4 in any year, all additional dividends shall be paid to Class "B" only.

Sale of the Lacombe and Northwestern Railway to the C.P.R. is announced by the Alberta Provincial Premier.

Work will begin shortly on the $500,000 terminal grain elevator at New Westminster, it is announced.

# Statistics Reveal Industry's Progress

The accompanying chart gives a picture of the position occupied by the pulp and paper industry during the year just concluded. During the first eight months of 1927 the price of common shares of pulp and paper companies declined, but during the latter part of 1927 there was a decided appreciation in prices. Virtually, the price increase at the close of the year was not due to any betterment in the position of the industry, but rather was due to the general all round buoyancy in the stock market. Naturally the general rise in the stock market affected the price of pulp and paper stocks.




The decline in the pulp and paper stocks earlier in the year was due to the situation surrounding the newsprint industry. During 1927 and probably during 1928 the capacities of the mills on this continent will be in excess of the demand and the mills will not be able to operate at capacity as in 1926.

The situation surrounding the newsprint industry is not without its bright points. The industry, by consolidations and economies, has met, and is now passing through successfully a period of depression. Then again, the accompanying chart shows that while the Canadian production is increasing steadily, that of the United States is declining steadily. In other words, United States mills cannot compete with the larger, more up-to-date and more efficient mills in this country. Canadian production is bound to grow because the mills are located close to their timber reserves and thus are in a position to produce cheaper newsprint than the United States. With rebates and with freight rate differentials, though, there has been some shading of prices.

**General Trend**

Export figures seen in the accompanying graphs are worthy of study to anyone interested in the industry as a whole or in any single branch of its activities, for in some instances they reveal clearly the general trend.

Total paper exports in 1927 were valued at $129,637,687 as against $121,414,513 in 1926. Newsprint exports comprise about 95 per cent. of this figure. Exports of pulp, though declined by about 12 per cent. during the year, but this decline is not so significant as it at first appears; with the tremendous expansion in the newsprint industry in 1927, a larger proportion of the total sulphite and groundwood pulp is being used for further manufacture into newsprint paper. Hence the decline in pulp exports is hardly significant; on the other hand it is to be remembered that the market for sulphite pulp this year has been most unsatisfactory and companies engaged in the manufacture of sulphite have been having thin times.

There has been a material decline in the exports of paperboard, but as far as the individual companies are concerned, it is probable that the decline in the exports is more than offset by the increase in the domestic demand. In any event, exports of paperboard play only a minor role in the total production of the Dominion. However, these mills are experiencing keener competition in foreign markets and also from imports in the domestic market. Nevertheless, the demand is growing and it can be said that 1927 was a successful year for the paperboard producers and that the companies occupy a satisfactory position.

The chart showing the exports of high grade paper reveals that there has been a substantial increase in the exports. The companies have been finding wider markets and in consequence have benefited. Exports, though, do not play a large role in the total output of the high grade paper producers of Canada.

**Domestic Demand**

In addition to better export markets, the domestic high grade producers have experienced an up-turn in the domestic demand and have been doing and are now doing a satisfactory business.

While exports of kraft paper have declined materially this year, yet like paperboard, it is generally conceded that the producers have offset any decline in the foreign demand by obtaining wider markets in the Dominion. The chief markets for the kraft paper producers are of course the domestic markets, and the kraft paper mills, due to the better business conditions throughout the whole country have had, and are experiencing satisfactory conditions.

The total exports of pulpwood for the 1927 year show only a marginal increase from 1926. With the continuance of the growth in the pulp and paper industry in Canada, it can reasonably be anticipated that in years to come there will be no substantial growth in the exports of pulpwood. Any increase in the demand in the States through the depletion of timber resources, should perhaps be offset by the expansion in the industry in Canada with a consequent greater demand for wood.

The groundwood pulp producers have had an extraordinarily bad year. The outlook for the future is unpromising. Groundwood producers depend very largely on the export markets. Exports this year dropped off by about 40 per cent. Moreover, the poor demand has been reflected in low prices; the bottom has really dropped out of the market for mechanical pulp. Practically all the groundwood companies in which there is an investment interest, though, have been absorbed by other producers.

Exports of kraft or sulphate pulp during 1927 were marginally greater than in 1926. Unlike the markets for other grades of pulp, the market for sulphate has been fairly satisfactory. This, together with the bettered domestic demand for kraft paper, has materially helped to make 1927 a successful year for the kraft mills, such as Wayagamack and Dryden.

The two charts showing exports of bleached sulphite pulp and unbleached sulphite pulp show that there has been a decided decline in the exports of the unbleached variety. This decline is largely explainable by the larger amount of sulphite used domestically to manufacture the increased output of newsprint.

**Bleached Variety**

While the market for sulphite pulp has been anything but strong, it is satisfactory to note that the volume of exports of the bleached variety has increased.

There is a large investment interest in Canada in companies manufacturing sulphite. Some of these companies are making profits but the situation existing among the sulphite producers as a group is far from satisfactory.

## In the Mail

**Spanish River Preferred**

Editor, The Financial Post.

I have read with interest your several timely articles on the optional offers made to the above shareholders by the Abitibi interests which seemingly meets with your approval as a fair deal under the circumstances. As a shareholder of both common and preferred shares of Spanish River perhaps I can view the respective offers without bias and yet with sufficient interest to weigh the two offers intelligently There is no doubt in my mind but that the merging of the several companies was an excellent move for all concerned, not excepting Spanish River preferred even with the options offered, and I am sure it required long and laborious consideration to arrive at the ultimate solution. I did not hesitate to convert my Spanish common at once; also my Spanish preferred, taking the maximum of Abitibi common obtainable under the several options. The market appreciation in the value of all three stocks is a fair measure of the advantage of the deal to all concerned.

Taking the open market prices of the several stocks as a fair appraisal of the relative values after the merger, there is no doubt of the market's approval; likewise, there is no doubt but that the market values Spanish common higher than Spanish preferred. Using the same standards there is no doubt that, previous to the merger announcement, the market valued Spanish preferred higher than Spanish common. Judging by all accepted standards the open market was reliable in valuing a participating preferred stock approximately ten points higher than a junior common stock. There is no doubt but that the preferred shareholders took the greater risk in supplying the necessary capital; otherwise, they would not have been granted a 7 per cent. cumulative preferred dividend with subsequent equal participation with the common. Now, are the conclusions not obvious? The market registers the conviction that the Spanish River preferred shareholders have suffered an injustice at the hands of the Spanish River directors.

I would not say that this injustice was deliberate. It is far easier to size up the situation, after the event, than before. I would not criticize the directors of Abitibi for the offer they made; it was up to the directors of Spanish River to apportion that offer between their respective shareholders according to the relative values of their stocks. The financial comments have stated that this is the end of the "participating feature" as a sweetener for preferred stocks. The tone of the remark implies "double-crossing." I am sure the directors of Spanish River would resent such an accusation; and justly so. I am sure the reputation for integrity of the Spanish River directorate refutes convincingly any such accusation. We will say that if an injustice has been done, it has been done unwittingly.

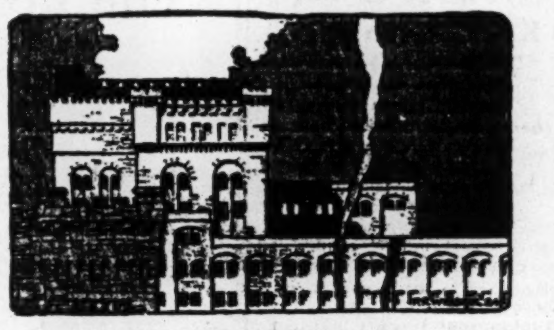
It might be said that the market would register relative values differently under different conditions and this is probably true. If I might venture a constructive suggestion, I would have liked to have seen still another option offered by the Abitibi directorate to Spanish preferred shareholders, viz.: the same basis of exchange as offered to Spanish common shareholders and in addition whatever the combined directorates saw fit to give in Abitibi 6 per cent. preferred to compensate Spanish preferred for the extra security they had enjoyed over Spanish common. It is not likely that all Spanish preferred shareholders would prefer this additional option but, to my mind, it would tend to remove criticisms of the options offered.

GEO. W. BARKER,
Jan. 28, 1928. Pickering, Ont.


Gasoline Marine Engines
Equipment, Propellers
REPAIRS TO ALL MAKES OF ENGINES
Foreman Motor & Machine Co. Ltd.
Lake St., Toronto, 2, Ont.

Grant Johnston & Co
Members
Montreal Stock Exchange
Montreal Curb Market
112 Notre Dame St. W.,
MONTREAL
Telephones Main 6184 & 6185

The Spanish River Pulp and Paper Mills Ltd.
SAULT STE. MARIE, CANADA
Manufacturers of News Print Paper


Production—720 tons daily.
Mills at
Sault Ste. Marie, Espanola, and Sturgeon Falls, Ont.

St. Maurice Valley Corporation

Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited, Three Rivers, P.Q.
Yearly Output—255,000 Tons Newsprint
Head Office:
MONTREAL—QUEBEC

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CHOICE FLOWERS
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The Uses of Paperboard
SANITARY PAPERBOARD PACKAGES
Paperboard's first great contribution to modern merchandising was the sanitary packaging of many food products formerly sold in bulk.
Manufacturing all Grades of Paperboard
CANADIAN PAPERBOARD COMPANY, LTD.
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HEAD OFFICE—2 Seigneurs Street, MONTREAL

Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.
Quebec Pulp and Paper Corporation
Limited
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Cable Address: "SAGUENAY, CHICOUTIMI"

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"Your old one is a nuisance because its prices are out of date, it shows goods you don't stock, it doesn't list all your lines—and it's so old it's falling to pieces.
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19

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PRICE BROTHERS & COMPANY LIMITED

NEWSPRINT PAPER AND LUMBER
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Consulting Engineer
200 Fifth Avenue, New York City
Pulp and Paper Mills — Power Developments

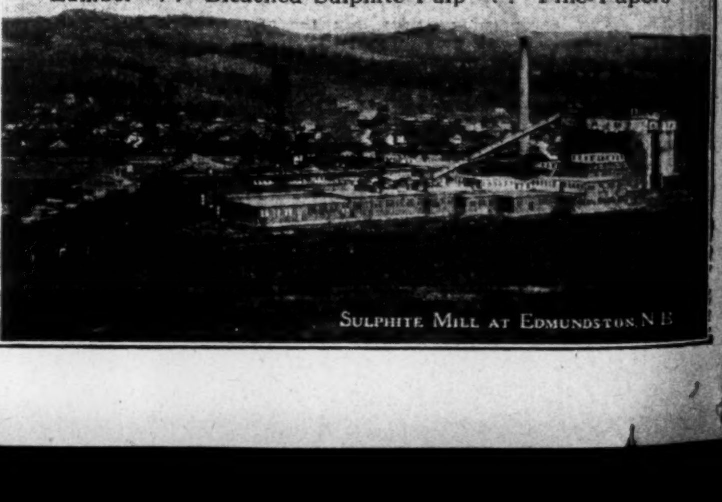
BATHURST
BATHURST COMPANY LIMITED
Groundwood—Sulphite
Kraft—Newsprint—Lumber
BATHURST, NEW BRUNSWICK

Investment Securities
Newman, Sweezey & Co.
LIMITED
136 St. James Street — Montreal

The Laurentide Company
LIMITED
Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper
GRAND'MERE - QUEBEC

PORT ALFRED PULP & PAPER CORPORATION
Newsprint and Sulphite Pulp
HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P. Q.

FRASER COMPANIES LIMITED
EDMUNDSTON, N.B.
Lumber :-: Bleached Sulphite Pulp :-: Fine Papers

SULPHITE MILL AT EDMUNDSTON, N.B.

# Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance inquiries on sheets separate from other investment inquiries.

## Fraser Companies

I hold some Fraser Companies debentures and some of the common shares. I am a business man; do you consider such holdings satisfactory?

Your Fraser Companies debentures are a satisfactory holding for a business man. Already you have obtained a nice profit on the common stock. As a long hold it looks interesting to us, that is the common stock.

## Safe Investments

Again I pester you, but not on mines this time. I have received a small legacy and wish to secure some good safe and reliable investments. The first amount to arrive is $1,250 with later on $2,850 to follow. Your advice would be very welcome.

You might with wisdom divide your investments between the first preferred stock of Canadian Canners, Limited, and such sound common stocks as Montreal Light, Heat and Power, and Consumers' Gas, Toronto. C.P.R. and Bell Telephone Company of Canada, also are attractive investments.

## German Bonds

A customer of ours holds the following German bonds:

Farwerke Vorm Meister Lucius & Briening Zu Hochst am Main 4½ Schuldverschreibing uber Eintausend Menk.

Allgemeine Electricitas Gesellschaft, 4½ Anleihe Serie 1x Vom Jahre, 1919-1930.

Are these bonds of any value?

As far as we can ascertain there is no market for German bonds you list, in Toronto.

If you will write to the National City Bank of New York City, they may be able to give you some information on this as they are handling the exchanges into a new long liquidation debt.

## Good for Investment

I have some $2,000 that I would like to invest in something fairly safe that would show a good appreciation over a term of three to five years. Any information or recommendations you may give will be gratefully received.

Sound utility stocks which should show a good appreciation over a term of three to five years would include Montreal Power and Shawinigan Water and Power.

Among those stocks of a somewhat more speculative nature would include:

Canadian Canners Second Pref.
Sherwin-Williams
Southern Canada Power
Winnipeg Electric
Abitibi Power and Paper
National Breweries
Laura Secord.

## Stock and Bond List

I shall be glad to receive your criticism of the following stocks and bonds, which are held by one of our customers:

Metropolitan Corp. of Can., due 1947, $500.

The six per cent. first mortgage Series A sinking fund bonds of the Metropolitan Corporation of Canada are a sound investment. This company has acquired the ownership of chain store properties in Montreal, Sherbrooke, Ottawa, London, Sault Ste. Marie, Peterborough, Kitchener and other Canadian cities. All these properties are leased The Metropolitan Chain Stores, Incorporated and a Canadian operating subsidiary, Metropolitan Stores, Limited, for a period of twenty-five years at an annual cash rental of $240,000, payable monthly in advance. As the interest requirements on this issue amount to only $66,000 per annum, you will see that interest is fully earned.

The consolidated net income received for Metropolitan Chain Stores and Metropolitan Stores Limited, for 1926, 1925 show that the balance available for rental for Metropolitan Corporation of Canada amounted to $2,655,104 and $2,238,475 respectively. For the year ended December 31, 1926, the balance as shown above is equivalent to more than eleven times the annual cash rental for the properties of the Metropolitan Corporation of Canada Ltd., and more than twenty-five times maximum annual interest requirements of the Series A bonds.

## Power Stocks

I was thinking of buying some of the common stock of the Power Corporation of Canada, but the price looks high. What do you think of this stock? Could you advise me of another power stock which would be equally or more attractive?

It is true that Power Corporation is now selling at high levels, but if you will take the common stock and hold it for two years we think you will obtain an appreciation. Perhaps there will be an appreciation before this. At present levels, though, there are other power stocks which look equally attractive as Power Corporation. For instance, Shawinigan which sells around 90 but which, unlike Power Corporation, is paying a dividend. At present levels for a long hold perhaps you would do better on Shawinigan.

## Mexican Gov. Bonds

Can you advise me of the present status of the Mexican government bonds? Has the government carried out the terms of the agreement signed June 16, 1922, between the government and the International Committee of Bankers? Is it generally considered likely that interest will be paid in full from now on?

Recently the Finance Minister of the Mexican Government announced that the government would not be able to meet in full the principal and interest on its internal debt as outlined in the agreement made between that government and the International Committee of Bankers in 1922 and later modified in 1925.

The Mexican Government now desires another meeting with the bankers, and it is possible that a new arrangement will be drawn up in which the bondholders of Mexican Securities will be fully protected.

## $8,000 to Invest

I have $8,000 which I am anxious to spread in good sound securities as an investment and would like to have your advice as to how you would do this.

If you are not specially interested in immediate yields on your investments, but would rather buy sound common stocks which show some possibilities of appreciation in market value over a term of years, and ultimately giving a comparatively high yield, we would suggest that you confine your investments to such companies as:

Canadian Pacific Railway.
Montreal Light, Heat and Power.
Steel Company of Canada.
Consumers' Gas Company of Toronto.
Bell Telephone.
Shawinigan Water and Power Company.

A preferred stock of a sound company is the new first preferred, 6 per cent. cumulative, of Canadian Canners, Limited. A foreign government bond which is attractive, is the new issue of the Chilean Government. Chile has an excellent record as a debtor nation.

All the companies we have mentioned are sound, but we would not advise you to place your entire funds in any one stock or bond. The principle of diversification is essential, in view of the fact that no human being is in a position to say definitely that nothing unfavorable will happen to affect the earnings of any utility or industrial company.

## Clarendon Apartments

Would you please give me your opinion of Clarendon first mortgage bonds, 7 per cent., dated Nov. 1, 1927, due Nov. 1, 1947? Do you think Toronto is getting too many apartment houses?

The Clarendon Apartments is one of the newer and better class buildings erected in Toronto during the past year.

The management has been successful in renting the various apartments on long leases and on favorable terms. Earnings shou.d be sufficient to more than cover bond interest requirements.

The apartment house situation in Toronto at present is not unfavorable. The smaller buildings which are not as elaborately equipped as those recently erected have not been so well patronized, but those of the newer type have met with a fair amount of success.

## Canadian Brewing

Would you be so good as to let me know the capitalization, the directors and earnings and also the surplus of the Canadian Brewing Company and the dividend. I would also be pleased to have your opinion on the purchase of this stock at the present time.

Canadian Brewing Corporation common stock is on a $2 dividend basis and we are informed that the earnings are about $4 per year per share.

In the circumstances the stock appears to be a speculation with reasonably good prospects.

The company's capitalization consists of $500,000 of 7 per cent. accumulative preferred of which $400,000 has been issued and 50,000 shares of no par value common stock of which 40,000 has been issued.

The directors of the companv are K. F. Barnes; H. P. Flood; H. F. Walker, Montreal; G. H. Levy, Hamilton; D. J. McDougall; D. P. MacLeod, Toronto, and J. C. Schultz,

## Charles Walmsley

Can you tell me something about the Charles Walmsley Co.? I own some of this company's securities, but have not been in close touch with the company for some time. What does the future look like for this type of business?

The Charles Walmsley Company (Canada) occupies a satisfactory position. Recently, the equity in the property changed hands. It was bought by J. H. Price, president of Price Brothers & Company, and by the Royal Securities Corporation and associated interests.

We judge that you are a holder of the bonds. The present quote is 95 to 99. We believe that the company earns its bond interest twice over each year.

There is little information forthcoming regarding the company, but due to the fact that these strong Canadian interests have purchased the common stock, and due to the success the company is meeting in its sales of pulp and paper making equipment, we believe that the bonds may be regarded as a satisfactory industrial investment.

## Austrian War Bonds

C. M. Cordasco & Co. write to a client of ours offering in consideration of the return by our clients of Cordasco's note for $255 and the payment of $45 in cash to furnish our client with the following:

| | |
|---|---|
| 100,000 kronen Austrian Government 6 per cent. bonds | $20,800 |
| 1,000 roubles Russian Government 5½ per cent. bonds .. | 515 |
| 1,000,000 marks German Government 4-5 per cent. enforced loan bonds ........ | 2,500 |
| 6,000 kronen Hungarian Government 6 per cent. bonds | 1,245 |
| | $25,060 |

We would fancy that there were various issues of bonds of the different governments mentioned which might answer to the descriptions above and which might be of varying value. We should be glad, however, to hear from you with your comment on the proposal and in so far as the descriptions are sufficient to enable you to do so with the present values of the bonds so offered.

Why should your client throw good money after bad, he is not the only one that has bought German and Austrian war bonds which to-day are practically worthless. It has not been possible to obtain even a bid in Toronto of the bonds listed in your letter.

If you will get in touch with National City Bank, New York City, they will be able to inform you of the exact position and the value of these bonds.

## List of Investments

We have enquiries regarding the following as investments and should be glad if you would give us your opinion, briefly, on each.

Massey-Harris, Sinking Fund Gold Deb. Bonds, 5 per cent., Oct. 15, 1947.

Canada Cement, 1st Mortgage Gold Bonds, 5½ per cent., Nov. 1, 1947.

Fraser Companies Ltd., 1st Mortgage Sinking Fund Bonds, 6 per cent., Jan. 1, 1950.

Harris Abattoir, 1st Mortgage, 6 per cent, July 1, 1947.

The list of bonds mentioned in your letter are usually considered high-grade.

Massey-Harris has been experiencing a good volume of business during the past year and prospects for the present (1928) are exceptionally good. In addition the parent company derives considerable income from its subsidiaries in Batavia, New York and in France. They have also developed a profitable export business which in conjunction with the domestic market enables them to earn their bond interest requirements several times over.

The Canada Cement Company is the leader in its field. The old company never defaulted on the interest or principal of any of its outstanding bond issues. The new company is being handled by the old executive and its position is very favorable. For the last two years there has been an active demand for cement on account of the large building programme which is being carried out in the different provinces. Contemplated new buildings to be unertaken this year assure the company of a good volume of business.

Harris Abattoir is one of the largest meat packing companies operating in the Dominion. They engage extensively in export business and although this branch of their work has not been particularly prosperous there is reason to believe that an improvement will take place shortly in the British demand for Canadian packed products. The company is ably managed, well financed and in a position to meet interest requirements on the funded debt.

The Fraser Companies is one of the largest manufacturers of lumber and allied lines in the Maritime Provinces. They have recently entered the newsprint field with the constructions of a 250 ton plant, the power for which is being secured from the Grand Falls Development on the St. John River.

Net earnings of the company have shown an increase from $751,997, in 1921 to $1,561,825 in 1926. On the basis of the last report, bond interest requirements earned over four times.

## $500 to Gamble

I have $500 to gamble in cheap mine issues, will I buy some Eastern stock or keep my money here in B.C.?

Has your $500. gambling fund been able to survive the hectic market you have been having out there? There are lots of good gambles quite close to home that you will be able to watch better than if you pick one in the East.

## Royalty Companies

Are shares in U. S. Royalty Companies a safe investment?

Royalty concerns are not safe investments. They are speculations. Their assets are of a wasting nature like mines. It's a bet if you get your money back in dividends plus interest before the assets are gone and only dry holes remain. These Companies try to perpetuate themselves by buying new royalty rights but this means selling more stock.

## Nickel Dividend

A client sold "Nickel" shares on Dec. 13. He thinks he should get the dividend paid at the end of the year. He wants to know your views.

Your client should have no trouble in seeing his position on the nickel dividend. The declaration of the directors was that the dividend would be paid December 31st to shareholders on record December 15th, when the stock went ex-dividend he was not a shareholder of nickel in so far as this particular parcel was concerned. The dividend went to the person who held that stock on December 15th.

## Porto Rico Railway

I bought some Porto Rico Railway bonds at 72. What is the present price? Should I sell and re-invest the proceeds in common stock?

Porto Rico Railway 1962 bonds are now quoted at 80 bid. Whether or not you should sell the bonds and buy stock, depends on your investment requirements. In our opinion, this issue stands a good chance over the next year or two of selling at over 90. The company is now a subsidiary of the International Power Company. The bond is a second mortgage on the property.

## Brazilian Traction

Would you advise me selling my Brazilian Traction common stock?

We would not suggest selling Brazilian Traction common stock. The opinion is that persons who hold this stock with patience ultimately will profit considerably.

If you wish to buy a thoroughly sound stock which shows some likelihood of appreciating in value, we would suggest Montreal Power. A smaller company which is attractive at this time is Fanny Farmer Candy Shops, Inc. We are informed that this stock shortly will be listed in Canada.

## Preferred Stocks

To increase the yield of my holdings I am thinking of investing in a group of preferred stocks. What do you think of the following list: Howard Smith, Canadian Car, Alberta Pacific, Viau, International Utilities, Ottawa and Hull, Asbestos, Famous Players, Belding-Corticelli and International Power?

The list of preferred stocks which you have submitted to us appears to be an excellent one. We take it that your investment program allows you to pick stocks of this kind which certainly cannot be classed as gilt-edged, but which all look fairly attractive as a means of increasing the yield from your total holdings.

Over a period of years, you will probably experience some depreciation on some of these holdings and on others an appreciation. You can be sure, though, that you cannot anticipate a very large appreciation in their capital value. This is one of the handicaps of investing in preferred stocks.

## Anticosti Bonds

Let me know if the bonds of the Anticosti Corporation are sound, please.

Anticosti bonds are a satisfactory investment issue.

## Continental Oil

I have some Continental Oil at 25. What is the outlook?

The outlook for Continental Oil is reasonably good and we think that your investment will show a profit if you are patient.

## F. N. Burt

Is there any speculation in buying F. N. Burt at 70?

The F. N. Burt Co. is a sound company with a growing business and there is no reason to believe that the investor who is patient will not benefit from purchase of this stock.

## Muirheads

What is your opinion of Muirheads?

Muirheads is a company which appears to be going ahead and the stock should do well over a term of years or months. However, it is well to remember that this is a comparatively small company operating so far only in one city.

## Seagrams

At present I hold some Seagrams. Would you advise selling these?

You will have observed before this that Seagrams has been sold and the price which you will receive for your stock has been fixed by the terms of the agreement, provided, of course, that the shareholders agree.

## C. & T. Building

Would you consider the preferred shares of the new Commerce and Transportation Building, Bay and Front Streets, Toronto, sold by G. A. Stimson & Co., Toronto, a safe investment?

We do not consider the 7% preferred shares of the new Commerce and Transportation Building, Torcnto, a thoroughly safe investment.

## Consumers' Cordage

Has the Consumers Cordage, of Montreal ceased paying dividends; if so, why?

Yes, the Consumers Cordage Company of Montreal has stopped paying its dividends. The company's earnings have declined like those of every other similar organization in Canada through the increasing imports of foreign cordage.

## McColl-Frontenac

I bought some of the new issue McColl-Frontenac Oil preferred with a bonus of common. Was I wise in this?

McColl-Frontenac preferred, with a bonus of common looks like an attractive long hold business man's purchase to us. The preferred issue is fairly well secured and the common stock, over a term of years, undoubtedly has interesting speculative possibilities.

## Brantford Cordage

Will you kindly inform me about Brantford Cordage? What is the silver lining in the cloud?

The principal hope of the Brantford Cordage Co. is a regulation of the Customs Department which will prevent the sale of foreign binder twine in this country below the cost of production. Apparently the price war is to continue and investors who are not inclined to take their loss in this stock must hang on in the hope that the unfair competition from abroad will be eliminated. We are unable to learn whether or not the government is contemplating doing something for this Canadian industry.

## 7% Preferred

I am looking for a 7 per cent. preferred stock "selling around 100," and something that will be liable to continue paying dividends. Can you advise me?

An 8 per cent. preferred stock now selling at a price to give a yield close to 7 per cent. is that of Howard Smith Paper Mills, Ltd. Russell Motor Car Co., Hamilton Dairies, Northern Mexico Power, Porto Rico Railways, Building Products, Goodyear Tire, and Tuckett Tobacco are preferred stocks which pay 7 per cent. or thereabouts at present market prices. Two 6 per cent. preferred stocks selling at attractive prices are Canadian Canners first preferred and Canada Steamship Lines.

## Brompton

What do you think about the common shares of the Brompton Pulp and Paper Company?

For several years we have recommended Brompton common as an interesting long hold purchase for a business man. We see no reason to alter our opinion of the stock. The company has got rid of its Groveton mill, which had long been a millstone around its neck, and for the future earnings should be maintained at satisfactory levels, more especially as the company holds large newsprint contracts which permit it to carry on a scale of operation larger than at some of the other Canadian mills.

Provided there is no marked market recession, and we do not think there will be any big decline, in a year's time Brompton should be selling at higher levels.

## Building Products

Would you advise the purchase of Building Products common stock at this time?

Building Products common stock is an attractive purchase at this time. The company is sound and is making good progress we are informed.

## Viau Biscuit

What do you think of the future of the common shares of the Viau Biscuit Company?

We are not particularly impressed with the potentialities of the common shares of the Viau Biscuit Company. The last annual report published by the company showed that there was only a small margin of profit applicable to the common stock.

## Hardings Carpet

One of my friends has advised me strongly to purchase some of the common stock of Hardings Carpet, claiming its prospects are very bright. What do you think?

Stock in the new Harding Carpet Company is somewhat attractive, but it is well to remember that this company is new in the field and cannot be considered a seasonal investment so far.

## Brooks' Steam Motors

I am holding a few shares in Brooks Steam Motors of Canada and have no idea of their worth, although I surmise from what I hear that it is almost negligible. I will be greatly obliged if you will tell me in a few words the standing of the company, and if you would advise further investment in their stock.

We certainly would not suggest that anyone put any more money into Brooks Steam Motors, Limited.

## Imperial Oil

I am thinking of putting some money into Imperial Oil and Montreal Light, Heat and Power. Do you advise me to do so?

Imperial Oil and Montreal Light, Heat and Power are attractive stocks for any person who is willing to be patient. The low yield at the present market value of the stock is indicative of the high regard which the public holds for these sound companies.

## Kelvinator

I bought some Kelvinator common the last time it was sold at 11. Do you think I can get out of this loss?

We have some hopes that the Kelvinator Co. of Canada will eventually become a success. Its troubles were due primarily to excessive expenditures on capital account. These have now been ended and losses have been written off. In the next few months there may be a material improvement. It is worth while noting that the Canadian company has for its market all of the world excepting continental United States. The English company is a subsidiary of the Canadian company.

## Brading's Breweries

Give me an expression of your opinion of the shares of Brading's Breweries, would you, please?

The recent offerings of Bradings Breweries stock was sponsored by a firm which has a record of successful financing behind it. This adds, in our opinion, greatly to the attractiveness of the shares.

Bradings Breweries stock appears to be an interesting long hold purchase for a business man.

## Canadian Celanese

I know Canadian Celanese preferred is not paying dividends, but I was thinking of buying it. Would this be wise? How are the company's earnings?

Canadian Celanese preferred, we regard, as an attractive speculative issue for a business man which should allow him to obtain a satisfactory appreciation. We can give you no idea of the earnings of the company because it will not enter full production for a few weeks as yet.

## Wm. A. Rogers

Would you kindly give me your opinion of Orange Crush preferred, Wm. A. Rogers preferred, and Alberta Pacific Grain preferred?

We think your experience with Wm. A. Rogers preferred and Alberta Pacific Grain preferred would be satisfactory, but we do not think so well of Orange Crush preferred. The last named is a new preferred stock which has not been seasoned and the experience of investors in the former company has not been wholly satisfactory.

## International Utilities

Without asking your advice I went ahead and purchased the A shares of International Utilities at 50, and the B stock at 10. Now I come to you for advice. Should I sell these shares; what do you think of them?

Any real decline in the stock market will undoubtedly affect your holdings of International Utilities. As we have pointed out from time to time in The Financial Post, the B shares can only be regarded as an out and out business man's gamble.

The A stock is a speculative business man's purchase. You are getting a high return on your A stock and we think you would be well advised to keep it over a term of years. Any market re-action would have less effect on the A stock, of course, than on the B. The A might fall off a few points but we do not anticipate any real decline. You must regard the A, though, as a speculation.

Of late, there has been some criticism of the company in Canada because new B shares have been issued thus increasing the large number of shares already outstanding. Some months ago, when the stock was selling around six, The Financial Post recommended its purchase. At ten it does not look so attractive to us. If you can afford to put this stock away for three or four years, though, you may make some money on it.

It is a little hard to understand the figures on the annual report of the International Utilities but 23c a share seems to have been about the earning figure last year. They have increased, though. If the A stock were ever called, there would be a larger proportion of earnings applicable to the B.

If you have your speculative funds well diversified, we should advise you to put your shares away with the idea of holding them for two or three years; at the end of that time you can reasonably anticipate some appreciation. The A stock, though, is much stronger than the B. The latter is simply an out and out gamble, which nevertheless has some attraction as a long hold.

Building Products at its present price seems to us to be a satisfactory business man's purchase for a long hold.

## Besco Preferred

I hold Besco second preferred; shall I hang on or sell out?

In view of the many speculative factors surrounding British Empire Steel Corporation second preferred, it is really impossible to advise you to sell or to hang on to your stock. As a speculation, though you might be well advised to retain the stock until the new interests now in Besco have an opportunity of trying to improve the position of the corporation. It is probable also that the struggle between Besco and the receivers of the Dominion Iron may now cease and that the government may do something to help the steel industry in Nova Scotia. Should this take place, the position of the second preferred would then be improved. The new interests in the company should, if anyone can, be able to provide larger markets for Besco's coal and steel production.

# When Women Invest

**Holder of Semi-Speculative Securities is Advised to Buy Standard Common Stocks if She Can Afford to Forego Immediate Yield**

A WEEKLY FEATURE

A woman relative holds the following securities, on which I wish you would comment:

Foreign Power Securities.
St. Lawrence Power.
Can. Northern Power.
Eastern Dairies.
Montreal Island Power.
Alexander Bldg. Bonds.
Bell Telephone Co.
Trusts & Guarantee.
Consumers Gas.
Steel Co. of Canada.
Canada Bread.
Goodyear Tire.
International Milling.
Page-Hersey Tubes.
American Sales Book.
Queen's Hotel.
Reliance Grain.

Some of the securities are highly speculative and suitable only for a business man. To cite chapter and verse:

Foreign Power Securities owns the French Power Co. The future of Foreign Power Securities depends somewhat on the future of France. A satisfactory experience can be expected, but it is by no means certain.

We also question the advisability of holding St. Lawrence Power.

Canadian Northern Power

Canadian Northern Power represents a small equity in the property and is, therefore, a poor hold for a woman.

Eastern Dairies common can be sold at a good profit. It might be well to take the profit. The preferred stock, in our opinion, is a business man's high yield.

Montreal Island Power is safe if a bond, as the Montreal Light, Heat and Power Consolidated has the contract. It is a business man's bond, but O.K.

The Alexander Building is a poor investment for a woman.

No comment is needed on the merit of her investment in Bell Telephone, Trusts and Guarantee, Consumers' Gas and Steel Co. of Canada. Canada Bread, Goodyear Tire, International Milling, Page-Hersey Tubes, and American Sales Book promise well in our opinion and, assuming that the holdings in these companies are fairly equally divided, the diversification results in a high factor of safety. The bonds of the Reliance Grain Co., Ltd., appear to be a satisfactory investment, with interest earned three times over in the poorest of the last three years.

### Montreal Light

If the holder of these securities can afford to forego temporarily a high yield on a portion of her capital, she would be well advised to buy the common stock of the Montreal Light, Heat and Power Consolidated. You will have observed that the earnings of this company continue to grow substantially. The company can well afford at this time to increase its dividend and a higher rate can be anticipated in the not distant future.

The common stock of Montreal Light at least is as safe as a good many industrial bonds and we think that only persons who require an immediate high yield should hesitate to purchase.

Earnings of the Queen's Hotel are satisfactory and will continue so under the present management. The possibility of loss of earnings rises from the fact that the hotel is near the present C.N.R. station in Montreal. The new station will be further up town.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| | |
|---|---|
| Capital Paid-up ........................ | $ 7,000,000 |
| Reserve Fund ........................ | 7,500,000 |
| Investments exceed ........................ | 60,000,000 |

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# The Ontario Loan and Debenture Company

The Fifty-Seventh Annual General Meeting of the Shareholders of this Company was held on Wednesday afternoon, 8th instant, at the Company's offices, London, Ontario.

The chair being taken by the President, Mr. A. M. Smart, the Manager, Mr. T. H. Main, who acted as Secretary, read the motion calling the meeting and the minutes of the last Annual Meeting were, upon motion, confirmed.

The Annual Report was then presented, as follows:

**FIFTY-SEVENTH ANNUAL REPORT**

London, Canada, 24th January, 1928.

To the Shareholders:—

Your Directors have pleasure in presenting their Report for the year 1927, accompanied by the Balance Sheet and the Auditors' Certificate.

The year's business was the largest in the Company's history. The total of the Company's Debentures increased by $1,337,430.38. The Deposits show an increase of $718,851.43, but it is to be noted that this is largely owing to some special deposits of a temporary nature.

After payment of Provincial and Municipal Taxes, Interest, Expenses and Charges, and after making ample provision for possible losses and contingencies, the

| | | |
|---|---|---|
| Net earnings for the year 1927 are | | $311,289.21 |
| Balance brought forward from previous year | | 69,767.95 |
| From this Total available | | $381,057.16 |
| Dividends (Quarterly at the rate of 12% per annum) have been paid | $210,000.00 | |
| Transferred to the Reserve Fund | 75,000.00 | |
| | | $285,000.00 |
| Balance | | $ 96,057.16 |
| Dominion Government Income War Tax | | 21,955.43 |
| Balance carried forward | | $ 74,101.73 |

The Company's Mortgage investments were substantially increased and mortgage payments continue to be very well met.

The gradual improvement in agricultural conditions continues, and in our cities there is now no shortage of housing; in fact in several there appears to be some surplus.

All of which is respectfully submitted.

A. M. SMART, President.

**FINANCIAL STATEMENT**

**31st December, 1927**

**ASSETS:**

| | |
|---|---|
| Office Premises (freehold) | $ 40,000.00 |
| Real Estate held for sale | 27,863.97 |
| Mortgages—Principal $7,681,379.45; Interest $203,088.99 | 7,884,468.44 |
| Loans on Stocks and Bonds | 547,406.78 |
| Securities of United Kingdom, Dominion of Canada and Provinces of Canada | 1,460,540.24 |
| Securities of Canadian Municipalities, School Districts and Rural Telephone Debentures | 876,038.91 |
| Securities Guaranteed by Dominion of Canada and Provinces of Canada | 614,513.65 |
| Securities of and Deposits with other Loan Companies of Canada | 554,093.06 |
| Cash in Chartered Banks in Great Britain | 3,783.32 |
| Cash in Chartered Banks of Canada | 338,284.49 |
| | $12,346,992.86 |

**LIABILITIES:**

| | | |
|---|---|---|
| **To the Public:—** | | |
| Debentures, Sterling, including accrued interest | $ 877,795.86 | |
| Debentures, Currency, including accrued interest | 5,144,983.05 | |
| | | $ 6,022,778.91 |
| Deposits | | 1,647,612.22 |
| | | $ 7,670,391.13 |
| **To the Shareholders:—** | | |
| *Capital Stock Subscribed,* $2,550,000.00 | | |
| Capital, fully paid $1,550,000.00 | | |
| Capital, partly paid 200,000.00 | | |
| | $1,750,000.00 | |
| Reserve Fund | 2,800,000.00 | |
| Dividend payable 3rd January, 1928 | 52,500.00 | |
| Profit and Loss Account, Balance carried forward | 74,101.73 | |
| | | 4,676,601.73 |
| | | $12,346,992.86 |

A. M. SMART, President T. H. MAIN, Manager.

**To the Shareholders of The Ontario Loan and Debenture Company:**

We hereby certify that we have audited the books and accounts of The Ontario Loan and Debenture Company continuously throughout the year ended 31st December, 1927, and find them correct and the above statements in accordance therewith. We have verified the Cash and Bank Balances, and have examined the Company's securities and find them in order. All our requirements as Auditors have been complied with, and, in our independent opinion and according to the information and explanations given us, the above statements are properly drawn up and set forth fairly and truly the state of the Company's affairs.

All transactions that have come within our notice have, we believe, been within the powers of the Company.

F. G. JEWELL, F.C.A.
A. G. CALDER, C.A.
Auditors.

London, Ontario, 24th January, 1928.

The President, in moving the adoption of the Report said in part:—

In again meeting the Shareholders, I feel with my co-Directors that I have every reason to congratulate them on the highly satisfactory Annual Report (the fifty-seventh) of the Company which has been in their hands for some days, and which I shall now ask you to adopt.

The past year, the Diamond Jubilee year of the Dominion, has been one in which many advances have taken place and which many high authorities seem to agree has been the banner year since Confederation.

Employment has been at the peak, building in excess of the previous year, basic commodities, especially those of the forest and the mines, including gold, nickel, lead, zinc, coal, etc., indicate with the possible exception of iron and steel, most gratifying increases. Especially is this the case with pulp and paper which in export value now seems to be securely entrenched, in position only second to that of grain, the volume of newsprint manufactured in Canada in 1927 exceeding considerably that of the United States and is still increasing.

The grain crops, although late in planting, gave much promise during the earlier stages but later suffered much damage, especially the oats, through adverse weather conditions in many localities, principally in the West. Although perhaps inferior in average grades, the total production of wheat, it is thought, will exceed by about 10% the volume of the previous year, late estimates placing the yield at well over four hundred million bushels.

It is generally agreed that the purchasing power of the people of Canada from these and other causes will be very considerable, and evidences of thrift are found in the payments of their obligations, the increased deposits in the Banks, increased investments in Life Insurance and in the absorption of many new securities including those of the more conservative nature such as the debentures of your Company. You will note a large increase in the amount under this heading in the statement; perhaps the greatest increase of any year since organization in 1870. Deposits in our Savings Department also show a much higher total at the end of the past year. As stated in the Directors' Report a considerable proportion of this increase should not be looked upon as of a permanent nature, being composed of amounts of funds held for later investment by several of our depositors who have maintained accounts with us for many years. As against the withdrawal of these amounts you will note on the other side of the balance sheet the liquid assets show a corresponding or even greater increase.

With the largely augmented wealth of the country the rate for mortgage loans, as anticipated at our last annual meeting, continues to decline, owing to the largely increased amounts seeking this stable form of security. This condition we of course have had to meet and in consequence were obliged toward the end of the year most reluctantly to fix a somewhat lower rate for the renewal of our maturing debentures and also for any new moneys intrusted to us by investment therein. This reduced rate of income to our Debenture Holders has been accepted by them in good part, understanding as they mostly do that it is in the end quite as much for their ultimate good as for that of the Company, helping as it does to preserve the absolute soundness of their security.

Another reduction indicated in the statement before you is much more welcome than that which we have been considering, namely the figure of Real Estate on hand $27,863.97. I can only say in this regard that the reduction indicated under this item is from $79,350.01, the figure as it stood in the statement of three years ago. It now represents less than ¼ of 1% of our assets. During 1927 we were able to dispose of more of these properties than we were obliged to take over, and it is hoped this progress will continue until the item will disappear from your Company's balance sheet.

I shall not detain you further than to say that your Directors greatly regret that it has not been possible to offer a rate for Sterling Debentures that would again attract to us our many friends in the Home Land. The rate of yield on Government Bonds in Great Britain is still higher than we can afford to meet without loss to ourselves. We look forward to the time when conditions there shall have so improved that funds there will again seek an outlet to Canada in greater volume through our able representatives in Scotland, Messrs. Wm. Home Cook & Coy., and Forbes Dallas & Co., to our mutual advantage.

Summarizing it may be said your Company has had the best year in its history. Its assets have increased to over $12,000,000 with a larger proportion liquid than ever before. Its net income has been sufficient to provide for all losses and contingencies, to cover the amount required for Dominion Income Tax $21,955.43, to add $75,000 to Reserve Fund, to pay its Shareholders the dividends increased to 12% per annum and leave a modest unappropriated balance. In this very favourable situation we may, I think, look forward with confidence to the coming year.

I have much pleasure in moving, seconded by Mr. Somerville, that the Annual Report of the Directors be received and adopted.

The Vice-President, Mr. C. R. Somerville, in seconding the adoption of the Report, spoke as follows:

Our report for 1927 is some little evidence of that condition which a financial authority so aptly refers to as the remarkable growth of the capital resources of the Canadian people. Of the increased funds committed to our care during the year it was evident a large part represented those accumulating savings which constitute new Capital.

The steady growth in the amount of money placed with Canadian Mortgage loaning and trust companies is evidence of the confidence of the public in these institutions and of the service they are rendering.

Although we found the demand for money on mortgage loans well sustained during the year, the large funds available for this purpose from the Loan and Trust Companies and the Life Insurance Companies have resulted in lower mortgage rates.

We were thus obliged in November last to reduce our rate on Canadian Debenture money to 4½%, a rate which has not prevailed since 1915. In the last four years a great change has been taking place in the attitude of Canadians toward investments. For some time after the war only Government and Municipal Bonds and Securities such as our debentures, which rank with them, were considered at all. Now large sums in the aggregate are being devoted to all manner of enterprises old and new. To a large extent this is good, but there are signs of it being overdone, investments too often becoming mere speculation. This present speculative tendency and the reluctance of many to be content with the steadily lessening yield from high class securities may divert further new Capital from us for a time. For those, however, who wish their savings to grow in that normal way which is the most remunerative in the long run the means afforded by such strong and conservatively managed institutions as ours cannot be excelled.

We regret as our President has said, that our Sterling Debentures have decreased, but with our home supplies of money so plentiful and rates of interest ruling higher in Great Britain than here, we could not afford to pay such a rate as would have maintained or increased our borrowings in Scotland.

The utmost safety for all the funds committed to our charge, the Shareholders' money and that of our Depositors and Debenture-Holders, remains our first concern. Our mortgage loans are of moderate size and well distributed. Our largest mortgage is under $80,000, and there are only 24 which are over $25,000 each, and the average amount of our mortgages at the end of the year was $2,436.21.

The mortgage loaning of the year was largely, as has been the case of late years, on City properties. There is but little demand for loans on farm property and the mortgages placed on city property are proving very satisfactory. Although payments on mortgages covering both kinds of property are well met, the city loans are the better in this respect, but the gradual improvement in agricultural conditions is shown by an improvement in the promptness with which farm mortgage payments are being cared for.

There are always, of course, a few mortgagors who default and whose properties must be taken over. The number of these last year was less than for some years past, and as more properties were sold than came on hand during the year the item of Real Estate Held, awaiting sale, is again substantially reduced and appears in our report at a sum less than a tenth of the year's profits.

As the Life Insurance Companies with their large funds are now a considerable factor in the mortgage loaning field and competition is very keen the margin of profit for Loan Companies is lessening. We consider we are successful in meeting this condition by gradually increasing our volume of mortgage loans without increasing our expense ratio. As Shareholders you will be interested in the fact that as a result of care in this important respect our expense ratio is even a little lower now than in the pre-war year of 1913.

Altogether I think the immediate outlook for the continued progress and success of our Company is as bright as it is generally agreed is the outlook for our Dominion as a whole.

I have much pleasure in seconding the adoption of the report.

The Report was then adopted unanimously.

The Scrutineers were then appointed, and the election of directors proceeded with Messrs, A. M. Smart, C. R. Somerville, Colonel William M. Gartshore, J. M. Dillon, J. G. Richter and Arthur T. Little being re-elected for the ensuing year.

It was moved by Mr. J. E. McConnell, seconded by Judge Talbot MacBeth, that Messrs. Frank G. Jewell, F.C.A., and A. G. Calder, C.A., be and are hereby elected Auditors of the Company. Carried.

The meeting then adjourned and at a meeting of the Board of Directors held subsequently, Mr. A. M. Smart was re-elected President, and Mr. C. R. Somerville Vice-President of the Company.

# *Shaw and Begg Take Over Federal Fire Insurance*

Official announcement is made regarding the purchase of the controlling interest in the Federal Fire Insurance Company, of Canada, by a group of well known financial men.

At a meeting of the board of directors of the Federal, the transaction was ratified and the new management has assumed control of the company. New financing is completed which will create immediately a substantial addition to the surplus of the company.

For some time, it has been felt that the Federal has been at a disadvantage in competing with the larger groups into which the non-board market has resolved itself and a little while ago negotiations were entered into with Herbert Begg, president and manager of Shaw & Begg, Ltd., with a view to co-operation with that office, and the present announcement is the result thereof.

The following directors and officers have been elected:

President, E. B. Stockdale, vice-president, H. C Scholfield, M.P.P.; managing director, H. Begg. Directors, in addition to foregoing, F. K. Morrow, W. H. Mara, Frank Shannon, W. R. Begg, W. S. Morden, K.C., and S. C. Tweed. Secretary, W. H. Buscombe, and assistant-secretary, J. G. Hutchinson.

Under the management of Herbert Begg, the Federal will become an integral part of the Shaw & Begg group of companies. Arrangements will be completed as rapidly as possible for the removal of the Federal offices to joint premises with the Wellington Fire Insurance Company and Shaw & Begg, Ltd., at 78-88, King Street, East, Toronto.

## INSURANCE OF PULP IS EXCELLENT FIELD

### Loss Ratio is Only from 10% to 15% on Premiums

With a capital investment of $600,000,000, mostly in property that is insurable, and with a loss ratio of only from 10 per cent. to 15 per cent. of premiums, the Canadian pulp and paper field offers a good opportunity for the underwriter, said A. J. Mylrea, at a meeting of the Ontario Pond of the Blue Goose on Monday evening. Mr. Mylrea is a member of the firm of Reed, Shaw and McNaught, insurance brokers, Toronto. Stocks of finished newsprint did not constitute a special hazard, he said, as they represented only 4.2 days production at the present time.

That both dried pulp and pulpwood would burn, the speaker illustrated by reference to fires at Port Alfred, Que., and at Washburn, Maine. There was also a big loss at the Abitibi property, Iroquois Falls, Ont., when a forest fire swept the district and an accident in the apparatus put the company's protective system out of commission. At Thorold, the protection had proved inadequate. But with proper protection a paper mill and its supplies were good risks, said Mr. Mylrea, and many small fires were put out each year by sprinklers and hose. The address was illustrated with lantern slides and films.

About fifty members of the Pond were present. H. Churchill-Smith, of the Liverpool, London & Globe, presided. The meeting was held at the National Club, Toronto.

## New Apartment Building to be Built in Montreal

From Our Own Correspondent

MONTREAL.—The erection of a new ten story apartment building here is announced by the Property Corporation of Canada, which has recently been formed to handle the larger type of undertaking in the construction and real estate field. The present building is being financed privately, but in the future the company expects to undertake public financing in some of its projects.

John J. Fitzgerald, who heads the new Property Corporation, is a well known business figure in Montreal and formerly headed the Merchants Association which he organized. Mr. Fitzgerald states that his company has been organized to serve the public in all branches of real estate and building transactions, including the purchase and sale of properties, the placing of mortgage loans, the rental and management of properties and financial backing for builders.

## NEW TAXES IMPOSED IN SASKATCHEWAN

### Taxpayers Want Better Roads and Ask Increased Taxation Therefor

From Our Own Correspondent

REGINA.—Though for the first time for many years new taxation is to be imposed upon Saskatchewan this year, it comes only upon the insistence of the populace. Seldom does the taxpayer ask for new taxes. In this case, however, the demand has been growing for some years, and it arises out of the motorization of the province, rural and urban areas alike, and the consequent wish for better roads. The impost on gasoline consumed, forecast in the speech from the throne at the opening of the legislature on January 24, it is generally assumed, will be three cents per gallon. A total revenue from this source of $500,000 in round figures has been estimated, and the whole of this is earmarked for road improvement, presumably as a sum additional to what would be the normal grant for the purpose.

In addition to this tax demands upon the revenue of the province will be increased by the adoption in Saskatchewan of an old age pension scheme.

As against these increases in expenditure, which will involve a somewhat drastic change in the apportionment of revenue when the budget is brought down, there are to be set off first, economies effected in the cost of policing by the abolition of the provincial force and the reinstatement of the Mounted Police; second, possible economies in the other departments and third an increase in profits derived from the sale of liquor. By the rearrangement in regard to policing alone, a saving of something like $300,000 may be expected, while the liquor profits, which last year not only enabled the elimination of a previous deficit, but a reduction in taxation, are expected to give the government a fair round sum to play with, a part of which is already earmarked toward the reduction of the public debt.

**NEW YORK CURB**

| | Close Jan. 25 | Close Feb. 1 | Close Feb. 8 |
|---|---|---|---|
| Brit. Amer. Oil | .. | 38 | .. |
| Bunker Hill | 155 | .. | .. |
| Can. Marconi | 3½ | 3¾ | 3⅝ |
| Dom. Stores | 117¼ | 122⅞ | .. |
| Ford Canada | 527 | 525 | 526 |
| Imp. Oil Can. | 61⅛ | 61 | 60¼ |
| Inter. Petrol. | 39⅜ | 39 | 38¼ |
| Inter. Util. "A" | 48⅜ | 49½ | .. |
| Do., "B" | 9⅜ | 9½ | 8⅛ |
| Nipissing | 5¾ | 5½ | 5¼ |
| Noranda | 22 | 20¾ | 18 |
| Premier Gold | 3⅛ | .. | 2¾ |

Tonnage of pig iron produced in Canada in 1927 amounted to 709,697 tons.

## BETTER RELATIONS WITH FIRE FIRMS IS NEW OBJECTIVE

### Walter J. Blackburn is Touring Ontario with That Object

A Dominion wide organization for the betterment of relations between the fire insurance companies and the public, and also between the agents and the public, is the ultimate aim of some experimental work now being done in Ontario.

Walter J. Blackburn, formerly in the insurance business in Toronto, and for the past four years secretary of the Western Canada Insurance Club, is now acting as a special representative of the Canadian Fire Underwriters' Association for the purpose of bringing this plan to the attention of the companies and agents in Ontario. Last Tuesday a meeting of field officers was held in the Board Room of the C.F.U.A. at Toronto. A further meeting will be held next week, and meetings are also planned for Hamilton, Brantford, London and Windsor. Though reaching the agency men as a whole, Mr. Blackburn is co-operating with local committees of the Ontario Fire and Casualty Agents' Association for the arrangement of these meetings.

About the end of the war conditions in the insurance business in the west were unsatisfactory. Inspectors and other officials of the board companies in Winnipeg got together and started the Western Canada Insurance Club in 1921. Fred W. Pace was secretary for two years, and was succeeded in 1923 by Mr. Blackburn. A leaflet is published monthly, and he addresses meetings of agents and of public service clubs in the prairie provinces, as well as providing a friendly point of contact for the settlement of differences.

For some years the companies all over Canada have recognized the need for a better understanding of their business and methods by the public, and also, for that matter, by the agents. The work carried on by the Winnipeg Club therefore, may be extended.

**Varied Conditions**

Interviewed this week, Mr. Blackburn pointed out that conditions varied greatly in the different parts of Canada. The Western Canada Fire Underwriters' Association is the board organization in the Prairie Provinces. In Ontario and Quebec it is the Canadian Fire Underwriters' Association, while other bodies have jurisdiction over British Columbia and the Maritime Provinces. Some companies belong to one tariff organization but not to others. Agency organizations also vary greatly; so do conditions of competition. In the West it is the mutuals, but in the central provinces the non-tariffs, that are the main problem for the board companies.

For the next few months Mr. Blackburn will divide his time between the Winnipeg organization and the new development in Ontario.

The step taken by the Canadian Fire Underwriters' Association shows that at least a good proportion of the companies are in favour of a campaign to improve their relations with the public. It is nearly ten years since Justice Masten of the Ontario Courts issued his report, after a thorough investigation of the business, which clearly vindicated the work and methods of the C.F.U.A.; but the public is not familiar with these facts.

The companies claim that schedule rating has been the means of saving the public a great deal of money, and quote the government figures to show the small margin of profit for the companies. In fact some years ago there was a loss. The past couple of years have been more favorable, and the companies now feel more in a position to undertake the expense for publicity, etc., that is involved in such a campaign.

## DOMINION LIFE HAS RECORD YEAR

### Increase in Income in 1927 Was More Than Half Million

Dominion Life Assurance Company business applied for during 1927 was the greatest in the company's history, amounting to $26,028,716, an increase of practically $3,000,000 over the previous year.

The company earned a higher rate of interest, namely 7.15 per cent. on its investable assets, increased its assets by $3,051,673 which now amount to $18,890,284 and paid profits amounting to $374,658 to its policyholders during the year, in addition to having increased policyholders' surplus funds by $259,256. Policyholders' surplus funds amounted to $2,090,421 at the end of the year.

Total income of $4,566,290 for the past year including premium, investment and other receipts, represent an increase of $542,128 over 1926. At the same time the expense ratio showed a considerable reduction in spite of the fact that much attention was given to the development of new organization during the year, particularly in the Province of Quebec.

## Abitibi Fibre Company Extending Its Plant

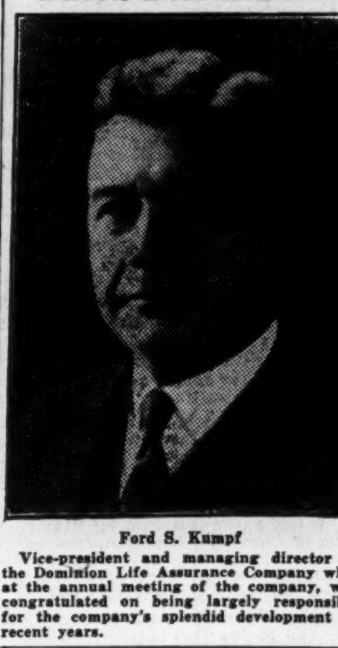
From Our Own Correspondent

MONTREAL.—Work is now underway at the plant of the Abitibi Fibre Company, which will result in increasing the head of water at the company's power plant by 12 feet. The higher head will increase the supply of power available at the mill and thus allow for the continued expansion in the output of bleached sulphite pulp which provides a wider margin of profit than the unbleached variety.

The Abitibi Fibre Company is a wholly owned subsidiary of the Abitibi Power and Paper Company. Before being acquired by Abitibi, it was known as the Mattagami Pulp and Paper Company. The subsidiary has received scant attention in all the talk regarding the Abitibi-Spanish merger. Despite the present unsatisfactory position of the markets for sulphite pulp, the parent company has expended several thousand dollars in recent months in extensions to the plant which will allow it to operate up to its full capacity of 60,000 tons of bleached sulphite pulp. Formerly part of the output consisted of unbleached pulp which changes hands at a lower price than the unbleached variety.

The expenditures which have been made on the plant have placed Abitibi in the position of being able to obtain the maximum profits from this subsidiary.

**Directs Dominion Life**



Ford S. Kumpf

Vice-president and managing director of the Dominion Life Assurance Company who, at the annual meeting of the company, was congratulated on being largely responsible for the company's splendid development in recent years.

## DULUTH-SUPERIOR HAS NET INCREASE FOR 1927 PERIOD

### Earnings by Company per Common Share Were 76 Cents

Although gross earnings figures for Duluth-Superior Traction Co. have been available for about ten days, the detailed annual report for last year is just to hand; it shows an increase in net income, including miscellaneous items, of $114,394, compared with $63,862 under the same head a year ago. Deducting dividends on preferred stock of the parent company and on the preferred stock of the Duluth Street Railway Co., the earnings per common share in 1927 were 76 cents, compared with a deficit for 1926. The company paid a $1 dividend in 1927.

The consolidated profit and loss and surplus account which accompanies the report also shows a deducting of $40,832 for claims paid on account of a railroad crossing accident in Superior. As this is an extraordinary expenditure, it is more properly a deduction from surplus than from income account.

Although it cannot be said that the company is again on the high road to prosperity, the 1927 report shows a definite improvement which, it is hoped, will continue to manifest itself. The company only recently has been authorized to charge a fare of 8 cents, or five ride for 35 cents in the city of Superior, bringing the rate of fare in that community to same level as has prevailed latterly in Duluth.

A. M. Robertson, the president, points out in his report that all the claims for paving expenses from the city authorities of Duluth have resulted favorably to the company, excepting one claim for $22,000 approximately which is still pending. Much of the other litigation concerning this company also has been settled by decisions in favor of the company.

For the time-being the company is paying half the expenses in connection with the crossing accident; the Great Northern Railway is paying the other half. The Duluth-Superior Traction Co. is claiming that the accident, the most serious in the history of the company, was in no sense due to the street-railway company and an agreement has been reached whereby settlement of claims from the public does not relieve either company from responsibility or liability to the other in connection therewith.

Following are tables showing the profit and loss for the last three years, with figures showing revenues and operating expenses:

**INCOME AND SURPLUS ACCOUNT**
**Years Ending December 31**

| | 1927 | 1926 | 1925 |
|---|---|---|---|
| Net income | $107,645 | $ 60,797 | $ 83,861 |
| Misc. cred. | 6,749 | 3,065 | 15,250 |
| | $114,394 | $ 63,862 | $ 99,111 |
| Pref. divd. | 87,793 | 84,987 | 89,038 |
| Com. divd. | 35,000 | ...... | ...... |
| Sundry items | 207 | 2,146 | 2,095 |
| Accident claims | 40,832 | ...... | ...... |
| Balance | x$49,438 | x$23,271 | $ 7,978 |
| Prev. surplus | 642,540 | 665,811 | 657,833 |
| Surplus | $593,102 | $642,540 | $665,811 |
| Add to prop. | 171,470 | 193,739 | 215,454 |
| F. debt retired | 356,449 | 332,501 | 307,194 |
| Sink. fd. res. | 16,099 | 15,725 | 16,625 |
| Unappropriated | $ 49,084 | $100,575 | $126,538 |

xDebit.

| | 1927 | 1926 | 1925 |
|---|---|---|---|
| Gross. earn. | $1,965,489 | $1,951,142 | $1,943,493 |
| Oper. exp. | 1,570,441 | 1,622,131 | 1,578,013 |
| Net earn. | 395,048 | 329,011 | 365,480 |


# Used Machinery for Sale

NEW machinery invariably proves the best investment, but there are times when good used equipment can be purchased to advantage.

Whether you wish to buy or sell, the logical place to tell your story is in the paper that guarantees complete coverage of the metal working shops, pulp and paper mills and mines.

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**Canadian Machinery and Manufacturing News**

153 University Ave., Toronto, 2

*Published Fortnightly on Thursdays*


## FINANCIAL FIRM MAKES PURCHASE OF LINDSAY, LTD.

### Long Established Music Concern Changes Hands

From Our Own Correspondent

MONTREAL. — C. W. Lindsay, Limited, long-established Montreal music firm, has been purchased by the financial firm of Johnston and Ward, Montreal, for a sum said to be in the neighborhood of $3,000,000. The company last year celebrated its fiftieth anniversary.

It is expected that public participation in an issue of securities of the company will be invited shortly. Prior to this purchase all of the stock of the company was held by C. W. Lindsay, the president and founder, and his associates.

It is understood that Mr. Lindsay will remain on the board of the new company as well as most of the executives and directors of the old company. With them will be associated a number of men prominent in the financial and commercial life of Montreal.

The company has enjoyed steady and continual expansion, with attendant profitable operations, ever since it was established by Mr. Lindsay in 1877 in a small up-stairs room in Montreal.

Branches of the company were acquired or started beginning in 1900 with the Ottawa branch. The Quebec branch was opened the following year, and a store in the east end of Montreal in 1905. In 1910 operations were commenced in Brockville, in 1913 in Kingston, in 1915 in Three Rivers, in 1916 in Belleville. Other branches are operated in Hull, Chicoutimi, and Grand'Mere. The company owns its own premises in Montreal, Quebec, Ottawa, Kingston and Hull.

## Township of York

COMMISSIONER OF INDUSTRIES

Applications will be received up to twelve o'clock noon, on Monday, February 20th, 1928, for the position of COMMISSIONER OF INDUSTRIES FOR THE TOWNSHIP OF YORK.

Applications must be made by letter, addressed to W. A. Clarke, Township Clerk, 40 Jarvis Street, Toronto, 2, and must also state experience and salary expected.

By Order of Council,
W. A. CLARKE,
Township Clerk.

## IMPERIAL OIL, LIMITED

**Dividend**

Notice is hereby given that a dividend of twenty-five cents (25c.) per share, and a special disbursement of twelve and one-half cents (12½c.) per share have been declared by the Directors of Imperial Oil, Limited. The same will be payable in respect of shares specified in any Share Warrant of the Company within three days after the Coupon Serial Number THIRTEEN (13) of such Share Warrant has been presented and delivered to:

The Royal Bank of Canada,
Toronto, Ontario.

or at the office of:

Imperial Oil, Limited,
56 Church Street,
Toronto, Ontario.

such presentation and delivery to be made on or after the

1st day of March, 1928.

Payment to shareholders of record at the close of business on the 15th day of February, 1928, (and whose shares are represented by Share Certificates) will be made on or after the 1st day of March, 1928.

The books of the Company for the transfer of shares will be closed from the close of business on the 15th day of February, 1928, to the close of business on the 29th day of February, 1928.

By order of the Board.
T. C. McCOBB,
Secretary.

56 Church Street,
Toronto, Ontario.

DIVIDEND NUMBER 172

## HOLLINGER CONSOLIDATED GOLD MINES LIMITED

(No Personal Liability)

A dividend of 2% on the outstanding Capital Stock of the Company has been declared payable on the 25th day of February, 1928, on which date cheques will be mailed to shareholders of record at the close of business on the 9th day of February, 1928.

Dated the 2nd day of February, 1928.

I. McIVOR,
Assistant-Treasurer.

## Belding - Corticelli Ltd.

**Dividend No. 53**

Notice is hereby given that on the Preference Stock of this Company the Directors have declared a Dividend of 1¾%, payable on the 15th day of March to Shareholders of record at the close of business the 29th day of February, 1928.

By Order of the Board,
W. P. MacDOUGALL, Secretary.

## Canadian Hydro-Electric Corporation, Limited

Notice of Dividend on 6% Cumulative First Preferred Stock

Ottawa, January 25, 1928.

The Board of Directors has declared the initial quarterly dividend of 1½% ($1.50 a share) on the shares of 6% Cumulative First Preferred Stock of the Company, payable in cash March 1, 1928, to holders of record of such stock at the close of business February 10, 1928. Cheques will be mailed. Stock Transfer Books will not close.

OWEN SHEPHERD,
Treasurer.

## Tenders for Debentures

Sealed tenders addressed to the undersigned and marked "tenders for debentures" will be received until 12 o'clock noon, Tuesday, February 14, 1928, for the purchase of $81,000 County of Peel debentures bearing 5% interest and payable in ten equal annual instalments as to the principal and interest. Issued under the authority of by-law No. 692 to pay 20% cost of construction of provincial highways within the said county for the years 1927 and 1928.

W. M. WILLIS,
County Clerk,
Brampton, Ont.

## BANK OF MONTREAL

NOTICE is hereby given th[illegible] DIVIDEND of THREE per [illegible] upon the paid up Capital [illegible] this Institution has been de[illegible] for the current quarter, pay[illegible] and after THURSDAY, the [illegible] day of MARCH next, to Shar[illegible] of record of 31st January, 192[illegible]

By Order of the Board.
FREDERICK WILLIAMS-TA[illegible]
General Man[illegible]

Montreal, 20th January, 1928.

## WAYAGAMACK PULP & PAPER COMPANY LIMITED

**Dividend No. 12**

Notice is hereby given that a Dividend of Seventy-five cents (75c) per share has been declared on the No Par Value Common Stock of the Company for the quarter ending February 29th, 1928, payable March 1st, 1928, to Shareholders of record at the close of business on February 15th, 1928.

By order of the Board,
D. L. ADAMS,
Secretary-Treasurer.

Montreal, Que., January 19th, 1928.

## The Canadian Bank of Commerce

**Dividend No. 164**

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 29th February, 1928, and that the same will be payable at the Bank and its Branches on and after Thursday, 1st March next, to shareholders of record at the close of business on the 14th day of February, 1928. The transfer books will not be closed.

By Order of the Board.
S. H. LOGAN,
General Manager.

Toronto, 20th January, 1928.


**Available Organizing Executive**

An aggressive young man (thirty-three) with a sound knowledge of industry, finance and accounting. A fine past record and at present serving in an executive capacity with a large industrial corporation. Seeks managerial or similar responsible appoint[illegible] ment preferably with manufacturing or financial concern.

Box 60, The Financial Post
Southam Bldg., Montreal


## The Shawinigan Water & Power Company

**Notice of Redemption**

To the holders of the Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on April 1st, 1954, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of April 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof with the coupons maturing on April 1st, [illegible] and all coupons for subsequent interest attached thereto, at the principal office of the Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on April 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) JAMES WILSON,
Secretary.

## The Shawinigan Water & Power Company

**Notice of Redemption**

To the holders of the Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on October 1st, 1955, will be redeemed by the Company pursuant to the terms of the said Deeds, on the First day of April, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on April 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

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THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) JAMES WILSON,
Secretary.

# OTTAWA THINKS TAX REDUCTIONS ARE JUSTIFIABLE

## Revenue Figures Indicate General Prosperity in All Business Fields

## $57,000,000 OVER

### Overpowering Case Warrants Large Scale Diminution in Taxation by Finance Minister

From Our Own Correspondent

OTTAWA.—With the budget only a few weeks distant, interest naturally centres upon the condition of Federal revenues and expenditures. To ask a finance minister to cut taxation and disturb business by substantial tariff changes when the state of trade is parlous and a surplus can only be achieved by legerdemain is as unreasonable as to demand bricks without straw.

The final figures showing net revenues from all sources for the first nine months of the current fiscal year have been issued and they will justify the country in hoping for generous tax reductions this year. In regard to the tariff, it by no means follows that in prosperous times it should be reduced. The total net revenue for the first nine months of this year, ending December 31 last, is $325,552,000 as against $302,021,000 for the corresponding period of 1926-27, or an increase of more than $23,500,000. Lest it be dismissed lightly, it should be remembered that 1926-27 was a big revenue year and that only thrice before has the annual revenue been greater—in 1921, 1923 and 1924. Already revenues have passed the totals for the two latter years and there is every prospect that the high mark of 1921, when revenues totalled $435,000,000 will be exceeded.

The following are the revenue and expenditure totals for the past nine years, in millions:

| Fiscal Years | Revenue | Expend. |
|---|---|---|
| 1919 .. | $312,000,000 | $637,000,000 |
| 1920 .. | 349,000,000 | 785,000,000 |
| 1921 .. | 436,000,000 | 528,000,000 |
| 1922 .. | 382,000,000 | 463,000,000 |
| 1923 .. | 403,000,000 | 434,000,000 |
| 1924 .. | 406,000,000 | 370,000,000 |
| 1925 .. | 351,000,000 | 351,000,000 |
| 1926 .. | 382,000,000 | 355,000,000 |
| 1927 .. | 394,000,000 | 360,000,000 |
| First 9 mo. of 1928 .. | 325,552,000 | 250,197,000 |

### Notable Points

Several points in this table are notable. First there was a rapid and steady decline in expenditures between 1920 and 1925. Indeed, the word "decline" is scarcely applicable. Expenditures were reduced, largely because of the falling off in war and demobilization charges, by more than 50 per cent. There is very little indication that expenditures will drop below $360,000,000 hereafter and, as a matter of fact, the taxpayers can scarcely expect otherwise.

The chief expenditures of the war were met by borrowing and, coupled with the non-war debt, the Dominion's indebtedness of to-day requires interest payments of $130,000,000 annually. Pensions to war cripples and dependents of soldiers amount to $37,000,000 and the various hospitals and homes for invalid soldiers, together with the administration of the soldier and pensions department, require a further $7,000,000 annually. Then there are annual subsidy payments to the provinces of $13,000,000, which makes a total of $187,000,000, which is spent before the government begins to administer the general affairs of the country. In 1926, when debt charges and war expenses are deducted, the government actually spent $175,000,000 in governing Canada.

### Pre-War Years

Critics often look back with regret and longing upon the glorious pre-war years when Federal budgets were less than $200,000,000. In the fiscal year 1914, for example, expenditures were $186,000,000 and debt and pension charges only $13,000,000 so that in 1926 the government spent only $2,000,000 more on administration than was spent 12 years before. Of course everyone who has watched the Commons at work is well aware that the pork barrel has not yet been banished. A glance at the estimates of the department of public work in any pre-election session will furnish ample proof on this point.

The splendid showing this year has been brought about by a rapid expansion in revenues and it is quite obvious that if revenues continue to expand, while expenditures are low, the government will be bombarded with demands for increased expenditures or cuts in taxation. For instance, the government last year had a surplus of $34,000,000 and this year revenues, so far, have increased by $23,000,000. The expenditures are about on a level with last year so that Mr. Robb will come to parliament with a surplus of not less than $57,000,000 and probably much greater.

An examination of revenue figures indicates general prosperity in all fields of business. The customs duties, the postal receipts, income and excise taxes, all show tremendous gains. The Income tax and postal receipts are expanding despite reductions in the last two years. In 1925 and 1926, Mr. Robb increased the exemptions under the income tax and in 1927 he knocked off a straight 10 per cent. In 1926 he brought back penny postage.

### Postal Revenues Improve

The postal revenues are quite the most remarkable of all. Officials of the department in 1926 estimated that penny postage would cost the treasury $6,000,000 annually. Prior to 1926, the revenues and expenditures of the department practically balanced, but so rapid has been the increase in the use of mails, under the 2 cent. rate, that there is actually an improvement in revenue. That is to say, the loss of $6,000,000 has more than been made good and the day is not far distant when the government will receive a handsome surplus from the department. Only the excise taxes, as differentiated from the excise tax, failed to show a gain. These include the sales tax, which was cut last session and which is down $11,000,000 this year. Trade, no doubt, has benefited.

On the whole there is an overpowering case for large scale reductions in taxation. A minister of finance can be a cheese parer, with honor to himself, when the ends can be made to meet only with difficulty. But to continue to be a cheese parer when millions are piling up in the treasury is to invite the contempt of all those politicians who pursue breakwaters, harbor improvements, grain elevators and the like, and their name is legion. Undoubtedly the politicians will get these surpluses if the people do not make their needs known in no uncertain manner.

## Insurance Satirized

In a volume just published by Sterling Offices, Ltd., of London and New York, to commemorate fifty years of service in the reinsurance business, the following cards are reproduced from the Schreiber collection in the British Museum. These cards are taken from a deck, printed at the time of the South Sea Bubble, and were used largely for the purpose of satirizing the purposes for which the "Bubble" companies were formed. The cards contain an engraving on the objects of the company, with a doggerel verse bearing on the matter. The six of spades referred to life insurance, and this is the verse that appears thereunder:

"Come all ye gen'rous husbands with your wives
Insure round sums on your precarious lives,
That to your comfort when you're dead and rotten
Your widows may be rich when you're forgotten."

# COMPLETE STORY OF REINSURANCE TRACED BY FIRM

## Souvenir Volume Tells Interesting Tales of Early Insurance Days

By way of throwing some light on the early history of reinsurance, there has been published in England by Sterling Offices, Ltd., an exceedingly handsome volume which delves into the early days of the insurance business and traces the development of reinsurance through the past three or four hundred years. The volume is offered to commemorate 50 years of service in the reinsurance world, by a firm which started in 1877 as A. F. Pearson & Co., and is now incorporated under the name of Sterling Offices, Ltd.

According to this volume, reinsurance was a later development of insurance and there is difficulty in tracing its history prior to the seventeenth century. One reference, however, has been found on the subject which recounts marine insurance having been effected in 1370 for a voyage from Genoa to Sluys. The insurer reinsured what he considered the most hazardous part of the journey, namely, from Cadiz to Sluys, and retained the remainder of the risk himself.

One chapter of the book deals with the early history of insurance itself, and traces the early beginnings of all the important branches of the business. The earliest insurance was, of course, marine insurance and definite policies are extant, dating from the year 1347.

Fire insurance was first practised in Anglo-Saxon times by the guilds, but on account of public apathy, its development was very slow until the famous fire of London in 1666. The first company to be formed at this time was an office set up by Dr. Nicholas Barbon, son of the famous Praise-God Barebones, for the purpose of insuring houses and buildings against fire. The organization, which was known as the Fire Office, was the originator of fire marks, and instituted the practice of maintaining a number of "watermen in livery with badges," thus anticipating the modern fire brigade.

With the influx of companies of all kinds at the time of the South Sea Bubble, fire companies received another lease of life, and a pack of cards, of which two are reproduced this week by The Financial Post, set apart the seven of clubs to make jest of the fire companies. The caption on this card was as follows:

"Projecting sure must be a gainful trade,
Since all the elements are bubbles made,
They're right which gull us with the dread of fire,
For fear makes greater fools, than fond desire."

Coming down to life insurance, we find that the earliest records show that this branch of the business arose from the insuring of the lives of slaves which were carried as cargo across the seas. The development of a scientific business, based upon actuarial principles, seems to have been unknown prior to the 18th century.

The main purpose of this volume, however, is to treat and develop the growth of reinsurance, and its history over recent centuries is discussed for all branches of risk. A final chapter shows it was not until 1850 that the reinsurance came to be an actual business, and ceased to be merely a departmental activity of the insurance office.

At the present time in the United Kingdom there are but 16 purely reinsurance offices, although since the year 1860, some 44 companies have been started. The United States shows an even later development of this branch of the insurance business, the first reinsurance office having been started at the beginning of the present century, there being some 16 now in operation. Reviewing the world situation, it is found that there are at present 156 reinsurance companies operating in the world, of which over two-thirds have been incorporated since 1910.

# WINNIPEG ELECTRIC APPLIES TO OTTAWA

## Company Confident Over Decision in Seven Sister Falls Controversy

From Our Own Correspondent

MONTREAL.—The Winnipeg Electric Co. is confidently expected to be given a favorable decision in the Seven Sister Falls controversy. Both this company and the provincial government have applied to Ottawa for federal authority to acquire this power site, and Ottawa has sent two representatives to Winnipeg to consult with Premier Bracken.

The Winnipeg Electric has already made a capital expenditure of some $5,000,000 on a plant at Pinawa, which would have to be purchased by the provincial government in the event of Ottawa's going against the company. In addition to the federal representatives, it is also understood that the Manitoba government has appointed a commission to investigate the whole question of water powers in the province.

For the month of December, 1927, both gross and net earnings of the company have increased. All the three branches of the company's utilities show an increase in gross earnings which amounts to something like $22,959 over December, 1926. The increase in net earnings for the month is $6,257 over the same period in 1926, whereas for the twelve months the increase amounts to something like $65,198.

Obviously, from the above figures, operating expenses have increased, the reason being attributed to an increase in the cost of service in the handling of the railway utility traffic; an increase in the expense of power costs on the part of the electric utility; and an increase in the cost of coal for the gas utility.

The comparative earnings figures are as follows:

| | |
|---|---|
| Gross earnings | $590,987 |
| Net revenue | 212,665 |
| Fixed charges and taxes after deducting other income | 101,408 |
| Net income from operation | 111,257 |

According to R. S. Kellogg, secretary-treasurer of the News Print Service Bureau, Canada, for the second time, in 1927, furnished more than half of the newsprint produced on this continent.

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# NATIONAL TRUST'S BIGGEST YEAR OUTLINED AT ANNUAL MEETING

## Sir Joseph Flavelle, Bart., President, and Mr. W. E. Rundle, Vice-President and General Manager, Describe to Shareholders Record Progress in 1927 — Business Shows Increases in All Departments — Profits Also Reach New High Point — Company Distributes 13 Millions to Beneficiaries During Year and Yet Shows Net Increase of Almost 24 Millions in Total Assets, Which Now Stand at 181 Millions—Important Work Not Expressed by Balance Sheet — Record Increase in Deposits.

## NATIONAL RESEARCH ESSENTIAL TO CANADIAN INDUSTRY

### Europe's Experience Points Way in Development of Our Resources — Canada Aims at All-Round Achievement

Record progress in all departments and the provision of additional office accommodation at Toronto and Winnipeg were reported to the shareholders of the National Trust Company by the President, Sir Joseph Flavelle, Bart., and Mr. W. E. Rundle, Vice-President and General Manager, at the Annual Meeting of the Company, held Feb. 7th. Particularly noteworthy was the statement by Mr. Rundle that the assets the company has under administration increased during the year by almost 24 million dollars—this notwithstanding the fact that during 1927 no less than $13,329,000 (irrespective of interest) was paid out during the year to beneficiaries of estates and trusts.

#### President's Remarks

In moving the adoption of the report, Sir Joseph Flavelle said:

It gives me great pleasure to present to you to-day a statement of the Company's affairs which I believe you will consider most satisfactory.

As you will observe from the Balance Sheet before you, the year just closed has established a new record.

The increase in assets under administration is very marked, and these now amount to $181,383,867.40. The figures are large and comprise property both real and personal which comes under the Company's daily administration.

I am sure the shareholders will feel gratified that so large a business has been built up during the twenty-nine years since the Company's incorporation in August, 1898.

It might be interesting to illustrate the Company's growth by giving the assets under administration in periods ten years apart, beginning with the year of incorporation:

| | |
|---|---|
| 1898 | $ 1,250,000.00 |
| 1908 | 17,021,994.72 |
| 1918 | 80,091,670.74 |
| 1928 | 181,383,867.40 |

In view of this volume of business, your Directors thought it advisable during the year just ended to increase the Capital Stock by the issue of $750,000 of new capital. This was offered to our shareholders at $175 a share and was wholly subscribed for by them. Our Paid-Up Capital is now $3,000,000 with a Reserve of $3,000,000.

The Inspection Committee of the Board of Directors, in pursuance of the Company's by-laws, has made its inspection and report to the Board regarding the investments made by the Company, and its report is presented to you herewith. The value and importance of such an inspection and the usual audit of the books and securities, will be apparent to the shareholders and to the Company's clients.

I desire on behalf of the Board to express appreciation of the services given to the Company's affairs by the resident directors at Hamilton, Montreal and Winnipeg; also to acknowledge the valuable services of Messrs. Thomson, Dickson and Shaw, of Edinburgh, the Company's sole agents in Scotland.

Before moving the adoption of the Report I shall ask the General Manager to address you.

#### General Manager's Remarks

The General Manager, Mr. W. E. Rundle, then spoke as follows:—

Sir Joseph and Gentlemen:

The year 1927 is a record one for the Company, both in profits and new business undertaken. I am happy to say all offices and all departments have contributed to these results.

At the outset of my remarks, I should like through the medium of this meeting to convey to the staff my appreciation of the loyal and enthusiastic support they have given to me as General Manager, to the shareholders and to the clients of the Company. The greatest of fidelity has been shown by the staff in the administration of the business. It is customary at shareholders' meetings to pass resolutions of thanks to the staff. I anticipate this will be done to-day. Although a custom, I know if such a resolution is presented to this meeting it will be received and adopted by you in no perfunctory manner, but with genuine and sincere appreciation.

Many annual meetings of financial institutions have been held in recent weeks at which the notable prosperity of Canada during 1927 and the encouraging outlook for the future have been stressed. I shall, therefore, not burden you this morning with repetition on these matters, but content myself with saying that I am in hearty accord with the general tenor of the remarks which have been made lately by presidents and general managers in their annual addresses.

#### Events of Jubilee Year

The year 1927 will always remain green in the memory of Canada. Throughout the country the celebrations of the Diamond Jubilee fittingly voiced thanksgiving for the remarkable progress—political, economical and social—of sixty years of national life, while they held high the torch of faith and confidence in the Dominion's future. In this great anniversary year we were honored by visits from Their Royal Highnesses the Prince of Wales and Prince George, and the Prime Minister of Great Britain. We were rejoiced to have them with us. We are conscious of the kind things they have said since they returned to Britain about our people, our country, its possibilities and its opportunities, and we are deeply grateful to them. These visits do much to bind the ties of Empire and to enlarge the understanding of the people of the Empire.

Sixty years of Confederation saw great progress in Canada. They saw our country well and honorably served by its public men in the Federal, Provincial and Municipal fields. We are perhaps too often apt to overlook the sacrifices made by the men who carry on our public affairs and conduct them with a devotion to duty of which we may well feel proud and for which we are grateful.

These six decades saw our territory consolidated through the building of great railways in all directions; saw enormous agricultural and industrial development; saw water powers harnessed, forests opened out and rich mining areas explored.

Our year of Jubilee found Canada had built a nation and built it within and as part of the British Empire; had developed a distinct Canadian type, aided and enriched in this by her people of English and French tongue; had stood for the best British traditions, not only because they were British but also because experience had proven them the best; and concerning herself with international affairs, recognizing that no country in modern times can live unto itself alone.

#### Almost 24 Millions Net Increase in Assets

Now coming to the Balance Sheet before you, I would first point out that the gross increase during 1927 in the Assets under Administration was $37,306,595.63. We, however, distributed during the year $13,329,154.82 (irrespective of interest) to beneficiaries of estates and trusts. Thus the total assets now under administration amount to $181,383,867.40,—a net increase of $23,977,440.81 over those of a year ago.

As pointed out on other occasions, large as these assets are they do not fully indicate the volume of the Company's business. Let me illustrate:

#### Corporation Trusteeships Additional

The company through its Corporate Trust Department acts as trustee under bond issues aggregating hundreds of millions of dollars covering properties of all descriptions in Canada and in other countries. Important discretionary powers are given us under the trust deeds securing these issues. Not infrequently we are called upon to exercise these powers. Before doing so it is necessary, of course, for us to go carefully into the situation to be dealt with. It does not require much imagination to realize the variety and complexity of the business problems herein that arise daily for consideration. Our Corporate Trust Department alone distributed during the year over twenty-one and a half millions of dollars. These figures are of course in addition to the other figures I have already mentioned. This same department also has under its charge receiverships and liquidations where the value of the assets runs into very large amounts. These sometimes involve the carrying on, as an officer of the court, of businesses of various kinds where the responsibility both for policy and organization must be determined from day to day by the Trust Company.

We hold securities for safekeeping and act as custodian of property and trustee under scores of escrow transactions where the value of property held on behalf of others is large indeed.

In our Transfer Agency and Registrar Department we look after the transfer and registration of shares of outside companies whose combined capitalization amounts to hundreds of millions.

The assets in none of these cases are included in the figures shown in our Balance Sheet, but we must keep them in mind if we are to have a true picture of the volume and scope of the business we conduct. That such a business requires a staff of experts in many directions is self-evident.

#### Expansion in Office Premises at Toronto and Winnipeg

The necessity for additional office accommodation led your directors during the year to erect a new six-story addition to the present head office at Toronto and to purchase a new property on Portage Avenue in Winnipeg. This addition at Toronto and new purchase at Winnipeg account for the increased amount over that of a year ago shown in the Balance Sheet under the heading of "Office Premises." We hope that the new addition will take care of our head office requirements for some years, while we now have a fine property in the City of Winnipeg, exceedingly well located and with ample accommodation in which to carry on our rapidly growing business in that city.

#### New Records in All Departments

The Balance Sheet is before you, speaks for itself, and calls for no extended comment. I shall therefore content myself with merely epitomizing its outstanding features.

**First—Capital assets show an increase during the year of $1,438,858.28. This, as the President has already told you, is almost wholly due to the increase made during 1927 to our capital stock.**

**Second—Guaranteed Trust assets show an increase of $2,758,380.12, of which $2,325,821.54 is deposits. This is the largest increase in deposits shown in any one year. Our deposits now total $9,007,069.55.**

**Third—Estates, trusts and agency account shows a net increase of $19,780,202.41 (after distributing $13,329,154.82 to beneficiaries)—constituting a record year's growth in our Estates Department.**

**Fourth—The Balance Sheet reveals the exceptionally strong liquid position of the Company. The liquid securities held on capital and guaranteed trust account amount to $7,668,149.57, which is 85.13 per cent. of our deposits.**

It will be observed that our investments both on capital and guaranteed trust account are mainly in mortgages, Government and municipal bonds and loans thereon. The mortgages have been selected with the greatest care, while the investments in Government and municipal bonds and the loans thereon are all first-class. Following our established practice, we carefully reviewed at the end of the year all our mortgages and securities, and I can assure the shareholders that ample provision has been made for any possible losses in respect of mortgage investments, while the present market value of the securities we own is considerably greater than that at which we carry them in the Balance Sheet.

#### Profits at New High Point

The net earnings for 1927 amounted to $504,409.32. These earnings enabled the Company to pay the shareholders not only the regular dividend at the rate of 12 per cent. per annum, but a bonus also of 1 per cent. Out of the net earnings the Company was further able to transfer $187,500.00 to Reserve Fund, after providing for Dominion, Provincial and Municipal taxes and carrying forward $52,495.07 into Profit and Loss account for 1928.

#### Canada Should Organize Industrial Research

There is a question which I believe to be of great importance to our Dominion upon which before closing I should like to say a few words. It is that of National Research.

It is well known that before the war Germany did more than any other country in national organization of research. To-day she still occupies a pre-eminent position in this respect among the industrial nations of the world. No country before the war realized as did Germany the ultimate dividends of research. She spent abundantly and reaped large rewards. She is continuing to do so.

The war gave a great impetus to research, notably in the United States and Great Britain. This was largely due to a sudden realization of the true and full significance of what Germany had done before the war. The United States now stands second in the national organization of research. Great Britain, which did little before 1914, now stands in third place. Britain's present expenditure, number of research organizations and personnel engaged therein run into large figures. The contributions her scientific and technical organizations are making are of inestimable value. In the field of co-operative research Britain perhaps has surpassed other industrial nations. No less than twenty-nine research associations are now being operated in the interest of a certain industry as a whole. The Department of Scientific and Industrial Research, an integral part of the Government, is the national clearing house for research. The research associations are subsidized by the Government under the administration of this Department on a fifty-fifty basis with the industry. These associations were established about eight years ago, shortly after the war. The results to various industries have been invaluable.

Japan, France, Czecho-Slovakia have also realized the importance of the organization of research, and are doing much.

Canada has made a beginning. If, however, she is to progress and fill her rightful place in industry and agriculture she must do more,—much more. In Canada's case also the ultimate dividends from research will prove enormous.

It might be asked why the General Manager of a Trust Company should refer to this subject. The answer is that the business of a Trust Company carries it into almost every field of activity. For instance, the conduct of a business now under our care took me last summer to England and to Germany, where I witnessed a practical demonstration of what these countries are doing and the beneficial effect of research on industry. In one industrial plant alone I saw no less than two hundred trained scientists working on the problems of the industry, with results that were illuminating. This gave one some conception of what could be done to improve industry and create a world demand for its products. With the realization of Canada's potential possibilities in her natural resources, her agriculture and her industries, this experience created a conviction that Canada should take a foremost part in research.

#### Canada's Development is Rounded

We say much in these days—and justly so—about the richness of our soil, the expanse of our forests, the extent and variety of our minerals, the vastness of our water powers, the opportunities of our factories, but while material progress has been advancing Canada has fortunately not overlooked the cultural side of her life. She has her universities and other seats of learning in every province. These stand high, and are open to all. The names of her sons are known in literature, in painting, in architecture, in sculpture and in music. Already Canada has her museums, some of which possess art treasures of renown. The development of the artistic and cultural side of her people will do much to hold Canada to an appreciation of true values in national and social life as she goes forward in the years to come, surrounded with material possessions rich beyond dreams.

ON GUARD

# National Trust Company

Limited

Balance Sheet, 31st December, 1927

ASSETS

| | | | |
|---|---|---|---|
| **Capital Account:** | | | |
| Office Premises and Safe Deposit Vaults at Toronto, Montreal, Hamilton, Winnipeg, Saskatoon and Edmonton | | $ 965,336.33 | |
| Real Estate held for sale under mortgage foreclosure | | 301,065.23 | |
| Rents due and accrued | | 4,852.70 | |
| Mortgages: Principal | $2,771,680.15 | | |
| Interest due and accrued | 145,203.46 | | |
| | | $ 2,916,883.61 | |
| Loans on Stocks and Bonds | | 1,106,984.80 | |
| Securities: Dominion of Canada and Provinces of Canada | $ 82,445.25 | | |
| Canadian Municipalities | 74,667.51 | | |
| Other Bonds and Debentures | 106,193.75 | | |
| Interest accrued | 2,492.02 | | |
| | | $ 265,798.53 | |
| Stocks | | 273,449.88 | |
| Cash in Chartered Banks | | 153,252.54 | |
| Cash on Hand | | 138,535.46 | |
| Advances to Estates and Trusts | | 132,925.98 | |
| | | | $ 6,259,085.06 |
| **Guaranteed Trust Account:** | | | |
| Mortgages: Principal | $ 8,958,025.35 | | |
| Interest due and accrued | 276,321.50 | | |
| | | $ 9,234,346.85 | |
| Loans on Government and Municipal Bonds | | 903,958.16 | |
| Securities: Dominion of Canada and Provinces of Canada | $ 1,875,567.48 | | |
| Canadian Municipalities and School District Debentures | 1,457,823.68 | | |
| Interest accrued | 32,900.50 | | |
| | | $ 3,366,291.66 | |
| Cash in Chartered Banks | | 663,200.20 | |
| Cash on Hand | | 240,723.91 | |
| | | | $ 14,408,520.78 |
| **Estates, Trusts and Agency Account:** | | | |
| Funds and Investments | | $160,716,261.56 | |
| | | | $160,716,261.56 |
| | | | $181,383,867.40 |

LIABILITIES

| | | | |
|---|---|---|---|
| **Capital Account:** | | | |
| Capital Stock, subscribed and fully paid | $ 3,000,000.00 | | |
| Reserve Fund | 3,000,000.00 | | |
| | | $ 6,000,000.00 | |
| Dividend and Bonus Declared and Unpaid: Dividend No. 112, due Jan. 3, 1928 | | 90,000.00 | |
| Bonus of 1% | | 30,000.00 | |
| Mortgages in Process of Completion | | 45,423.30 | |
| Reserve for Balance Dominion Income War Tax | | 41,166.69 | |
| Profit and Loss | | 52,495.07 | |
| | | | $ 6,259,085.06 |
| **Guaranteed Trust Account:** | | | |
| Trust Funds for Investment | $ 5,401,451.23 | | |
| Trust Deposits | 9,007,069.55 | | |
| | | | $ 14,408,520.78 |
| **Estates, Trusts and Agency Account:** | | | |
| Estates, Trusts and Agencies | $160,716,261.56 | | |
| | | | $160,716,261.56 |
| | | | $181,383,867.40 |

NOTE—The assets under administration shown above do not include assets running into large figures which the Company is administering as Liquidator or Receiver under the direction of the Courts of various Provinces of the Dominion.

PROFIT AND LOSS ACCOUNT

For Year ending 31st December, 1927

| | |
|---|---|
| Balance 31st December, 1926 | $186,891.36 |
| Net Profits for the year after deducting cost of Management, Directors' and Auditors' Fees, Contingencies, etc. | 504,409.32 |
| | $691,300.68 |
| **Appropriated as follows:** | |
| Quarterly Dividends and Bonus: Nos. 109 to 112, inclusive, at the rate of 12% per annum | $351,341.38 |
| Bonus of 1% | 30,000.00 |
| Transferred to Reserve Fund | 187,500.00 |
| To provide for Dominion, Provincial and Municipal Taxes other than taxes on Real Estate | 69,964.23 |
| Balance Carried Forward | 52,495.07 |
| | $691,300.68 |

Board of Directors:

President; Sir Joseph Flavelle, Bart.

Vice-Presidents, E. R. Wood, W. E. Rundle, Herbert C. Cox

Hon. Sir Edward Kemp, K.C.M.G.; H. H. Fudger; H. B. Walker; J. H. Plummer, D.C.L.; Hon. F. H. Phippen, K.C.; H. J. Fuller; W. M. Birks; E. M. Saunders; Sir John Aird; James Ryrie; Rt. Hon. Sir Thomas White, K.C.M.G.; Harrington E. Walker; Miller Lash, K.C.; A. McT. Campbell; Kenneth MacKenzie; George W. Allan, K.C.; Edward FitzGerald; Leighton McCarthy, K.C.; Carl Riordon; George W. McLaughlin; W. H. McWilliams; W. G. Morrow; Cyrus A. Birge; F. F. Dalley; Thomas C. Haslett, K.C.; D'Arcy Martin, K.C.; C. S. Wilcox; Walter Molson; Lt.-Col. William Leggat, M.C.

# Insurance for Buyer and Seller

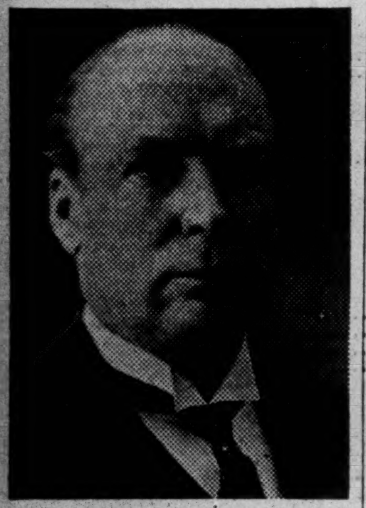
## GREAT WEST LIFE ASSETS ARE NEAR $100,000,000 MARK

### Company Passed $500,000,000 Point of Business in Force

Great West Life passed the half-billion mark at the end of 1927, having in force $502,544,842 of business, an increase of $45,237,263 over the previous year.

New business written was $75,391,761 an increase of $2,668,226.

C. C. Ferguson, general manager,



GEORGE W. ALLAN, K.C.
President Great West Life

stated at the annual meeting that mortality rate was low in 1927 and expenses were reduced.

Assets stand at $95,000,000 and market value of securities exceeds book value by $1,753,783. Profit earnings were 18 per cent. higher.

Vice-President R. T. Riley indicated that the investment situation was well in hand.

Comparative figures follow:

| | 1927 | 1928 |
|---|---|---|
| New business .... | $ 75,391,761 | $ 72,205,135 |
| Business in force . | 502,544,842 | 453,758,333 |
| Assets ........... | 94,909,289 | 83,520,346 |
| Income .......... | 23,902,307 | 21,812,121 |
| Surplus earned .. | 4,833,299 | 4,086,872 |

## CROWN EXPECTS SOON TO ATTAIN TO $100,000,000

### Wrote $26,800,000 of New Business in Past Year

Crown Life showed a very large increase in business in 1927. It wrote $26,780,177 of new business. New business in 1926 was $22,314,509. Insurance in force was brought to $87,877,013, an increase of $15,400,000.

Cash income was $3,570,407 and assets at December 31, were $10,383,194.

H. R. Stephenson, general manager was elected a director. At the annual meeting he stated that an average rate of interest of 6.59 per cent. was earned on securities held, and in addition a substantial profit made on sale of securities. Interest due was less than one-thirtieth of one per cent. of the assets. It was expected that the company would pass the hundred million mark of business in force in the near future, he said.

## Great-West Life Passes $500,000,000 Milestone

The Great-West Life Assurance Company is just celebrating the fact that it has reached the $500,000,000 mark in the life insurance world.

In other words, they have achieved a milestone in their career as a company by having in force at the end of 1927 some $502,000,000 of life insurance.

Having achieved this very satisfactory goal, the company has taken the opportunity, through its Bulletin, to look back over the thirty-five years of its existence and trace there the interesting factors which have been responsible for this growth.

### In 35 Years

In the first place, it notes that it is the fifth company in Canada to achieve this goal, and the first company to reach the objective within the short space of thirty-five years.

Although thirty-five years is not a lengthy period of time as corporate life is measured, yet in that time Winnipeg, which is the native city of the company, has grown from a prairie city of 20,000 population to its present cosmopolitan area, which covers some 15,960 acres and has a population of nearly 200,000 people. West of Winnipeg, in 1892, the prairies were sparsely dotted with the shacks and log huts of settlers, some of whom had come over the plains from St. Paul and started West from the sea of mud which was the Winnipeg of fifty years ago in the famous Red River carts drawn by oxen.

In was in this pioneer atmosphere, therefore, that the company was started at a time when there was a crying need for capital, and when monies representing life insurance premiums were going to other countries. J. H. Brock conceived the idea of a life insurance company situating in Winnipeg to which a steady stream of premiums would constitute capital to assist in speeding up the development of the country. It was Mr. Brock who organized, inspired and stimulated the new enterprise, and when things were not going as well as he wanted them, or when a cherished objective was almost in sight, he hit the trail himself with horse, buggy and application.

### First Annual Meeting

The company's first annual meeting was held December 31, 1893 in the Winnipeg City Hall, as the two rooms acquired as a head office, at a rental of $30 a month, were too small to contain even the few who attended the gathering. At the end of the first full calendar year, the company had a business in force of $2,268,000—a splendid record for such a pioneer organization.

In the year 1919, the company's business in force reached the $200,000,000 mark, and within three years, the company set a new standard of production achievement by placing an additional $100,000,000 on its books. This was increased to well over the $400,000,000 by 1925 and now, at the end of 1927, the company announces $502,000,000 in force and, it may be added, still going strong.

## Metropolitan Life is Now Largest Financial Institution

Metropolitan Life during 1927 became the world's largest financial institution passing in total assets the Midlands Bank of London. Metropolitan Life has assets of $2,388,647,636 and has life insurance in force of $14,803,785,790. This is the largest amount in force in any company. New business in 1927 was $2,834,975,738. This was divided as follows: Ordinary, $1,246,262,888; industrial, $1,223,984,909; group, $364,727,941. The insurance in force in the different departments is as follows: Ordinary, $7,157,922,228; industrial, $5,877,465,375; group, $1,768,398,187. In addition to the sums given the company has accident and health insurance in force, principal sum benefit, $765,333,400. Figured on a basis of weekly indemnity this amounts to $7,918,812.

The company's income for 1927 amounted to $651,068,588, a gain over the previous year of $55,472,083. The increase in assets was $280,643,251. At the close of 1927 it had 40,166,107 life insurance policies in force, which was more than in any other company in the world and more than in all other companies in America, except one. The number of lives insured was put at 1,154,888. The company paid 54,128 claims during the year, thus averaging one claim paid for every 16 seconds of each business day of eight hours. Mortality and expense ratios were the lowest ever.

## Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other inquiries will be answered by mail. A two-cent stamp should be enclosed to cover a direct reply.

### Toronto Casualty

What is your opinion of this company?

Toronto Casualty Fire & Marine Insurance Company, we believe, is perfectly safe, and that it is well capable of assuming the $10,000 risk on your Consolidated School Building.

This company has gone through a somewhat hectic period in the last few years, but we understand that it is recovering rapidly and that the last six months of operation have been very successful ones for the company. The management is exceedingly capable and aggressive, and although this is a non-tariff company, we do not hesitate to recommend it to you.

### Aetna Life

Would you kindly compare the strength of the Aetna Life Insurance Co., of Hartford, Connecticut, which is represented by Anderson and Cummings of the Confederation Building, Toronto, with such Company as the Metropolitan and the Prudential Co.?

These three American life insurance companies are among the most outstanding insurance institutions on this continent, and as far as strength is concerned, they are about equally situated. There is no doubt whatever as to the strength and standing of the Aetna Life of Hartford, about which you make specific inquiry.

The Aetna Life writes only a non-participating insurance which means that you buy your insurance at a fixed price and do not participate in any future dividends or profits that the company may make.

The Metropolitan Life writes both participating and non-participating insurance, whereas the Prudential Life is a mutual company and writes only participating insurance.

### Portage la Prairie Fire Shows Increase in Assets

Annual report of Portage la Prairie Farmers' Mutual Fire Insurance Company shows that total assets are up, standing now at $1,315,411.07, and showing a surplus over all liabilities of $1,292,161.67, an increase of $92,000 over the preceding year's figures.

The total business in force shows a gratifying increase of approximately three-quarters of a million dollars, and stands at $65,381,656.

Commenting on the report, the president, E. H. Muir, pointed to the fact that collections on assessments this year were remarkably good, averaging over 90 per cent., and constituting something of a record in this direction.

The general manager, Stratton Whitaker, in the course of his remarks, made a very practical survey of the contributing causes to the company's fire losses. While it was gratifying to note a substantial reduction in the amount of claims paid, still much of the loss was preventable, and there is a great work still to be done to awaken the public mind to the necessity of fire prevention. The majority of fire claims for the year came after August 1st, indicating that the chief danger to barns come in the early fall from spontaneous combustion of damp hay, and to dwelling houses in the early winter from defective furnaces, stovepipes and chimneys.

**NEW DIRECTORS FOR MONARCH**

Two new directors were added to the Monarch Life board at the annual meeting in Winnipeg. These were Edgar J. Tarr, K.C., and A. O. Marrin. Mr. Tarr is a member of the Municipal and Utility Board of Manitoba, and Mr. Marrin is president of a wholesale grocery house.

Director

H. R. STEPHENSON.
General Manager of Crown Life Insurance Company, elected a director this week.

## Quebec to Erase Evils of Unlicensed Insurance

### Legislation is Likely to Take Form of Law Such as That Adopted Recently in State of Michigan

From Our Own Correspondent

MONTREAL.—In an effort to stamp out the evils of unlicensed insurance, Quebec will shortly introduce legislation which will curb drastically brokers who have been placing insurance in irresponsible companies such as were exposed in The Financial Post at the end of December, 1927.

The Insurance Department of Quebec has felt for some time that this evil should be curbed and it is understood that if the necessary legislation can be obtained, a law such as the one that has just been brought into force in the State of Michigan will be introduced. This legislation is already overdue, because a number of brokers in and about Montreal have been taking advantage recently of the fact that Quebec has no adequate control over insurance which is placed by brokers covering risks in the province by means of policies in unlicensed, and in many cases, irresponsible companies.

### Without Supervision

Under the existing legislation in the province an agent may solicit and place insurance on commercial or manufacturing risks without any supervision. Once the agent procures his license, the government has apparently no control over where he places his business particularly if it can be shown that no sufficient insurance can be obtained at a reasonable rate of premiums from insurance companies registered within the province of the Dominion. As pointed out in previous discussions in The Financial Post, it is exactly this type of risk which causes the most trouble.

A great deal of this business, which has been placed with these irresponsible companies, is on what is called "surplus line" risks, which means that extra-hazardous properties, or classifications, which find difficulty in placing any or all of their insurance in the regular way, are offered protection with these unregistered and unlicensed companies and are, for this reason, glad to get any sort of a covering, even though the company mav be entirely irresponsible or perhaps non-existent.

Then in addition to these surplus fire risks, there is a class called the sub-standard risk which applies to the casualty field and includes various classes in the community such as bootleggers and other risks that are undesirable from the moral point of view.

### Contemplating Legislation

The exact form which the new legislation will take in Quebec has not yet been placed before parliament, but it is understood that the Department of Insurance will strongly recommend that all brokers placing insurance in unlicensed companies must deposit security with the department in the amount of $5,000 in order to ensure that transactions are carried out in a proper manner. In addition to this, the changes in the law are expected to follow very closely the new State of Michigan law which was brought into force last year, and which is considered to be admirable legislation for dealing with this problem.

Under this Michigan law, the license issued permitting an agent to place business with unlicensed companies as long as these companies have licenses in other states having insurance commissioners. However, before this business is placed, the agent must execute and file with the commissioner an affidavit that he is unable to procure in licensed companies the amount of insurance necessary to protect the property.

Not only, however, must this affidavit be procured, but the law also provides that such an agent shall not offer any portion of unlicensed insurance to any company which is not possessed of cash amounting to at least $100,000 nor one which has within the preceding twelve months been in an impaired condition. Furthermore, each person so licensed must keep a separate account of the business done thereunder, a certified copy of which shall be filed with the commissioner of insurance, showing the exact amount of such insurance placed for any one person, firm or corporation, the gross premium charge thereon, the companies in which the same is placed, the date of the policies, and the terms thereof, and shall also file a report in the same detail of all such policies cancelled and the gross return premiums thereon.

### Penalty For Violation

By way of a penalty for violation of this law, the State of Michigan has enacted a new clause which states that a violation of the law shall be deemed a felony and shall be published by a fine not exceeding $1,000 or by imprisonment in the county jail of not more than ninety days or both, such a fine and imprisonment at the discretion of the court.

Under the Michigan law, the amount of the bond which the agent shall deposit with the auditor-general of the state is $2,000 and any company in which such unlicensed insurance is placed must appoint the commissioner of insurance of the state, as attorney-in-fact in the state upon whom process can be served.

General Manager

D. E. KILGOUR.

### Kilgour Has Spent Career With North American Life

D. E. Kilgour, the new general manager of the North American Life, has been with the company for practically his entire business career.

Graduating from University in 1900 as one of the leading men in his year and scholarship man in mathematics, he became an associate by examination of the British Institute of Actuaries and Fellow of the Actuarial Society of America. He is at present time a member of the committee on examinations of the latter society.

Mr. Kilgour has taken an active part in general insurance interests, having held among other offices that of Honorary Secretary of the Canadian Life Insurance Officers' Association and later that of president of the same association. In his long connection with the association Mr. Kilgour acquired a wide acquaintanceship with the insurance men of Canada and an intimate knowledge of general insurance conditions. He has appeared at different times before the Legislative Committees on matters pertaining to life insurance legislation.

Mr. Kilgour has always evinced a broad interest in agency matters and has spoken on different occasions before Underwriters' Associations, having been one of the speakers who addressed the great International Underwriters' Convention in 1926.

### Confederation Life Conferences

MONTREAL. — The Confederation Life Association is holding a series of important conferences throughout Canada during the next two months for the purpose of getting its representatives in all parts of the country together and forming plans and contacts for the work during 1928. In Montreal this week a ... session was held which was in ch... of C. D. Devlin, superinten... agencies for Canada, and Willia... lace, inspector and manager of ... service. In all, some thirty men ... ered for the conference and vari... portant subjects regarding the ... pany's 1928 programme were dis...


**The dividends of experience**

A WOMAN with her husband's life insurance to live on, or the proceeds of the sale of the farm to re-invest—and no business or financial training to do it with—is headed pretty straight for the shrinking dividends of inexperience—

*Unless — she gets some sound straight-from-the-shoulder advice*

Thrifty management will bring to her freedom from care and worry, assured comfort, and the Dividends of Experience, all of which may be obtained by the appointment as Executor and Trustee of your Estate of

THE CANADA PERMANENT TRUST CO
*Paid-up Capital One Million Dollars*
Toronto Street, Toronto.
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THE MONARCH LIFE IS A GOOD COMPANY
Provincial Offices:
Toronto, Montreal, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria, St. John, Halifax

**The Western Empire Life Assurance Company**

EXTRACTS FROM 1927 REPORT

| | |
|---|---|
| Assets | $1,256,196.41 |
| Premium and Interest Income | 319,488.09 |
| Policy Reserves | 950,375.00 |
| Insurance Issued | 1,787,511.00 |
| Insurance in Force | 9,276,179.00 |
| Paid to Policyholders and Beneficiaries since commencing business | 313,377.80 |

*Deferred Dividend Result*
*Paid January 1, 1928*
15 PAYMENT LIFE

| | | |
|---|---|---|
| Amount $2,000. Premium | $90.30 | Policy No. 369, Issued Jan. 1st, 1913. |
| Total Premiums Paid | $1,354.50 | |
| Total Cash Value | 1,598.00 | |
| Reserve | 1,106.00 | Paid-up Policy Option, $2,884.00 |
| Surplus over Reserve | $ 492.00 | |

Write for Copy of Annual Report
HEAD OFFICE WINNIPEG, MAN.
WM. SMITH, President.
HON. R. W. CRAIG, BRIG.-GEN. H. M. DYER, Vice-Pres.
F. C. O'BRIEN, Secretary-Treasurer.

**Western Investments**

Those who have investments in British Columbia, with which they are not familiar, may write to us for independent reports or valuations.

*Our organization covers every section of the province.*

*Pemberton & Son*
Vancouver Limited
418 HOWE STREET
Vancouver, Canada

**WESTERN ASSURANCE COMPANY**
Incorporated 16 years before Confederation.
Fire—Marine—Automobile—Burglary—Guarantee
HEAD OFFICE • TORONTO

Satisfactory Service Guaranteed
PRUDENTIAL TRUST COMPANY LIMITED
Trustees, Executors, Administrators, Real Estate and Insurance, Safety Deposit Vaults.
W. G. ROSS, Chairman of the Board
B. HAL. BROWN, President and General Manager
HEAD OFFICE PRUDENTIAL TRUST BLDG., Montreal
TORONTO OFFICE Reford Bldg., 217 Bay St.
Branches throughout Canada and in London, England.

The PIONEER INSURANCE COMPANY
*Fire Insurance at Tariff Rates*
Pres.—JAMES STEWART
Vice-Pres.—FRANK O. FOWLER, Ex-Mayor of Winnipeg
Sec.-Treas.—J. H. FACHE
Head Office: WINNIPEG - MANITOBA

THE PILOT
Automobile and Accident Insurance Company, Ltd.,
Head Office - Waterloo, Ont.

| | |
|---|---|
| Fire | Plate Glass |
| Automobile | Guarantee |
| Inland Transportation | Accident |
| Burglary | Sickness |
| Liability | Bond |

(non tariff)
*Applications for agencies invited.*
*President* Hon. W. D. Euler — *Man. Director* D. McIntosh

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary — W. H. HUNTER, President — ALEX. STEWART, Treasurer

Insurance
FIRE, HAIL and CASUALTY INSURANCE
Of every description effected with leading Insurance Offices.
Our Advisory Service is at your disposal.
OSLER, HAMMOND & NANTON LIMITED
WINNIPEG

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA — HAMILTON, ONTARIO
Writing Fire Insurance at Cost
Assets $3,751,733.94
ALL POLICIES DIVIDEND-PAYING AND NON-ASSESSABLE
Branch Offices:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Saskatoon, Winnipeg, Montreal, St. John, Halifax, and Charlottetown.

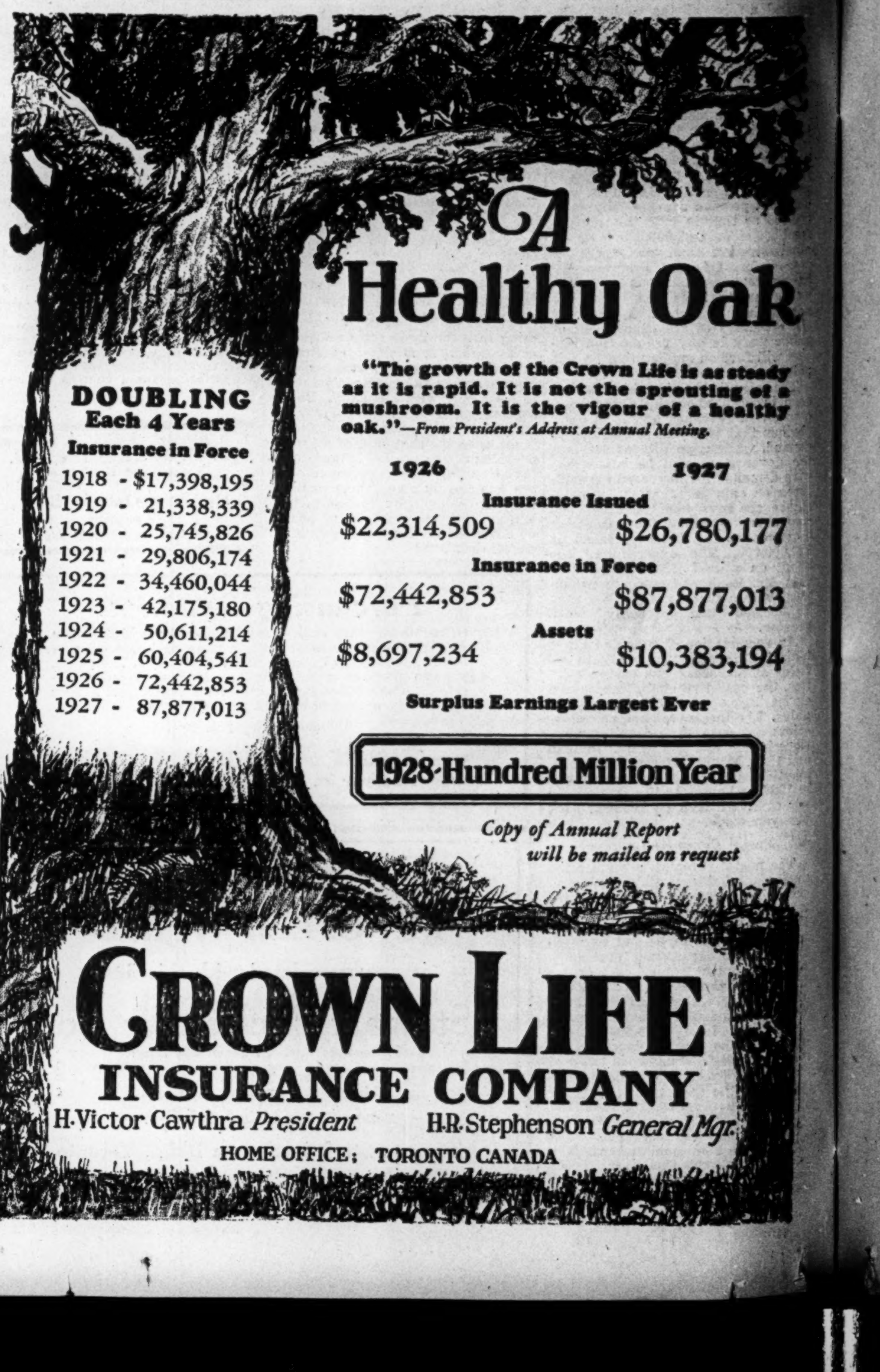
THE MONARCH LIFE ASSURANCE COMPANY
HEAD OFFICE :-: WINNIPEG
The Directors' Twenty-Second Annual Statement For Year Ending December 31st, 1927, Reports
**Continued Substantial Development**
Comparative Progress by Seven Year Periods

| As at Dec. 31 | Assurance in Force | Assets | Policy Reserves | Paid to Policyholders |
|---|---|---|---|---|
| 1913 | $ 6,762,506.00 | $ 538,198.09 | $ 320,252.00 | $ 56,893.76 |
| 1920 | 25,564,980.00 | 1,819,453.97 | 1,691,225.69 | 517,900.81 |
| 1927 | 52,512,422.00* | 7,080,954.14 | 5,969,697.00 | 2,275,015.24 |

*Not including Double Indemnity Accident Assurance amounting to $5,071,374.00

Assurance (New and Revived) in 1927 — $10,733,618.00
Branch Offices in All Principal Centres from Coast to Coast

DIRECTORS AND OFFICERS:
President: WM. A. MATHESON, Winnipeg, Director, Standard Trusts Company, and Home Investment and Savings Association.
Vice-President and Managing Director JOHN W. W. STEWART Winnipeg
Vice-President F. W. ADAMS, Toronto and Winnipeg, Vice-President, Adams Bros., Wholesale Saddlery
FIELD SUPERINTENDANTS
C. A. CRYSDALE, Pacific Division, Vancouver
F. H. PROBY, Western Division, Regina
W. G. NEELY, Manitoba Division, Winnipeg
H. F. LOWMAN, Ontario Division, Toronto
J. L. ROUTLY, Quebec Division, Montreal
E. F. JAMIESON, Maritime Division, Saint John



SECOND SECTION

# THE FINANCIAL POST

SECOND SECTION

Vol. XXII. Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, FEBRUARY 10, 1928 10c. a Copy; $5.00 a Year No. 6

## BEER COST MAY CAUSE PRICE WAR

### Some Heart Burns Appear to Exist Regarding Carling's Success

### EARLY DROP LIKELY

### Consumers Are Said to Hold View That Present Prices Are Too High

A price war among the brewers of Ontario may be imminent. Carling's would be the object of attack.

Carling's, it is learned on strong authority, is getting the cream of the business from the Ontario government. No advertising is permitted in Ontario, but Carling's, by one means or another, is a name that has been kept before the public. A new warehouse was opened at London, last week. It was an occasion of ceremony and about 1,000 persons of more or less prominence were guests. The guests left the affair with Carling's on their minds.

There is a great public demand for Carling products, it is said, and certain of the other brewers in Ontario are not pleased with a situation which precludes their seeking public demand. The only recourse left to the smaller brewers is to cut their prices. If prices have not been shaded already, an early drop is predicted.

Effects of a price war among brewers may not in the end be hurtful. Consumers of the product are said to hold the opinion that beer and ale are too high priced at the moment. If this is true in Ontario the price level must be affecting consumption. A price war which brings the level down to a more reasonable basis would increase consumption, perhaps, and, consequently add to the profits of the more efficient breweries.

As the largest of the brewers, and as a company with the largest number of shareholders, the situation as regards Carling's is most interesting. It is believed by persons having an intimate knowledge of the company's affairs that Carling's will thrive on competition in view of the efficiency of the plant at London and the ample storage space which has been provided. Earnings at the present time are said to be far in excess of the published estimates and it is anticipated that even better results will be obtained when the domestic demand equals the capacity of the plant. The plant at present is operating at capacity to satisfy the demands of the export market as well as the domestic market in Ontario and Quebec.

Moderate reductions in the price of beer will not affect adversely the several companies which have been financed since the election of 1926; at least those breweries which are efficiently managed and which have been modernized should be able to operate profitably at lower prices, if lower prices result in increased demand. The following table shows the course of the brewery stocks in 1927 and 1928:

BEER COST

| | 1927 High | 1927 Low | *1928 High | *1928 Low |
|---|---|---|---|---|
| Brading Brew. | 35½ | 20 | 32 | 31 |
| Can. Brew. | 39½ | 22¼ | 40 | 34¼ |
| Carling Brew. | 40 | 22⅞ | 44 | 36½ |
| Cosgrave Brew. | 12 | 6 | 9¾ | 8¼ |
| Lake Ont. Brew. | 31½ | 18 | 30 | 23 |
| Toronto Brew. | 13⅛ | 8 | 10 | 9½ |

*To Feb. 6.

## SEAGRAM BENEFITS BY RECENT FUSION

### Cleland Says Company Will Gain Materially Through Recent Merger

W. B. Cleland, Hamilton, who took an active part in the recent distillery merger, has stated that stockholders of Joseph E. Segram & Sons, Ltd., will benefit as the result of the company being taken over by the Distillers Corporation, Limited, of Scotland.

It is understood that a movement was on foot by a strong group in Ontario to sell Seagram stock short and force the price down to $10 a share, with the idea of later proceeding with a reorganization of their own. The scheme has been defeated by the merger, and the stockholders will benefit, according to reports. The share-for-share policy is the basis on which the deal will be consummated, and in addition to this, shareholders will have the opportunity of acquiring one new share at $10 for every two shares held.

Commenting further upon the plans, Mr. Cleland had the following to say: "The deal will be a good one for the Seagram shareholders. It will improve the position of the Seagram Company, which will become associated with one of the strongest distillery firms in the world. Hitherto Seagrams have been playing a lone hand, with but one brand of whiskey. Now the business will be rounded out and put in a position to get the best results. Of course, the merger has to be ratified by the shareholders, who hold 62 2-3 per cent. of the stock, the Seagram family holding the balance. While Seagram stock has been listed on the market and generally traded in, the stock of Distillers, Limited, is privately held, and for that reason a comparison of market prices is not possible. My advice to Seagram shareholders is to hold their shares and await developments."

## Royal Securities Branch is Opened at Edmonton

From Our Own Correspondent

MONTREAL.—Announcement is made of the establishment of an office of Royal Securities Corporation in Edmonton, Alberta, under the management of C. R. Tanner. This gives Royal Securities two offices in Alberta—a branch having been opened in Calgary some months ago—and increases the number of the corporation's offices to sixteen, including one or more in every province of Canada.

The tour of the special livestock demonstration train through Southern Alberta, operated jointly by the Alberta Department of Agriculture and the Canadian Pacific Railway, will cover sixteen main centres and will conclude at Hillspring on March 12th.

## *Government of Alberta Works Hand in Glove With "United Farmers"*

### U.F.A. is Shrinking in Membership, and Government May Have to Seek Broader Basis of Support in Approval of All Classes of Community

By HON. ERNEST C. DRURY
Former Prime Minister of Ontario

HON. E. C. DRURY

The Farmers' Movement in Canada, though everywhere its motives and objectives are the same, is carried on through Provincial organizations, entirely autonomous, and completely separate, except for a rather timorous bond of common interest. Each provincial unit has its own leadership its own methods, its own outlook. The situation in each of the four provinces of Alberta, Saskatchewan, Manitoba and Ontario is different, and it is impossible to generalize as to the whole movement without a somewhat detailed study of the units of which it is constituted.

For this purpose the Province of Alberta is a good starting-point. The United Farmers of Alberta, or shortly U.T.A. as the organization in that Province is called, has shown a stability and harmony which the other provincial organizations have not known. This of course, has been largely due to the quality of leadership shown by Henry Wise Wood, who this year, for the thirteenth time, was elected President. Further, in Alberta is realized the ideal of that school of thought which believes in political action by the farmers as an economic group. Owing to the peculiar distribution of population in that province, it is easy to elect and maintain in power by an overwhelming majority, a Farmers' Government, without support from citizens of other occupations. Such a Government has in fact been in power since 1921. For these reasons, Alberta is of great interest in any consideration of the agrarian movement.

**Veteran Leader**

No analysis of the Alberta situation would be worth while without just a glance at the veteran leader of the farmers, Henry Wise Wood, for so long a time head of the U.F.A. Tall, asthetically slight, of commanding presence, with a deep resonant voice which carries distinctly to the farthest corner of any assembly, and a manner which lends to the slightest utterance an air of oracular wisdom, his is indeed an outstanding personality. There is too, about him, an evident sincerity which carries conviction, and if at times his enthusiasm has led him into positions which later his wisdom has prevented him from following to their logical conclusions, that is forgotten in the universal belief that he has given his services with unselfish devotion, and has not used his power to gratify personal ambition: a striking figure, he has dominated the policies of the organization for many years. Whether, without his influence they would have taken the course they have, and whether, were his hand withdrawn, they would maintain that course, is a question.

Mr. Wood is an apostle of the Group Government idea, or rather, he believes in government in Alberta, by the farmer group. This is good politics, so far as that Province is concerned, for by this means a government may be placed in power and maintained there for so long as a powerful farm organization may be held together. Mr. Wood however, does not believe in Group Government as enunciated by Miss MacPhail, W. C. Good and J. J. Morrison of Ontario, that is, a Parliament made up of the representatives of all the economic groups of the nation, the doing away with the present system of Government and opposition, the election, by and from Parliament of the Cabinet, the destruction of the present system of Cabinet responsibility, and the substitution for it of the individual responsibility of Cabinet ministers to Parliament.

**Occupational Groups**

Mr. Wood's position was amusingly brought out during the recent U.F.A. Convention at Calgary, which I attended. A motion had been brought in calling on the Government, in the forthcoming redistribution, to so arrange the constituencies as to permit the election of occupational groups everywhere. It found many supporters, though it was perhaps significant that most of these spoke with a strong foreign accent, and were evidently not Anglo-Saxon in origin. Of course such a redistribution is a necessary pre-requisite to the carrying out of the theory of Group Government, and I, perhaps in my innocence, rather expected that Mr. Wood, who had been held up to the farmers of Ontario as the great proponent of that system, would favor it. When however, the discussion had gone far enough, he took a hand in it, against the motion, which was defeated. The Government of Alberta will continue as a Farmers' Government, differing so far as constitutional methods or parliamentary procedure are concerned, in no sense from other British governments. It will not become a Group Government.

**Subsidy From Dominion**

The relations between the Government of Alberta, and the U.F.A. are, as might be expected, close in the extreme. The Cabinet practically moved down from Edmonton to attend the recent convention in Calgary. When resolutions concerning roads were before the convention, the Minister of Public Works was on the platform to answer questions. When Education was to the fore, the Minister of Education took his place. The Premier, Mr. Brownlee, made a very able, but to my mind remarkable speech. In it he outlined, clearly and in detail, the various problems of Provincial policy, giving the various courses of action which might be followed by the Government, and the reasons pro and con. But in only one matter did he tell his hearers what his policy was. The single exception was in the matter of a greater subsidy from the Dominion, which of course he favored. It appeared to me that the Government was seeking to be led, rather than leading. I wondered what significance the incident held.

The Government of Alberta is a party Government, and the U.F.A. is its party. Due to the fact that so many of the constituencies of the Provinces are dominated by the U.F.A. vote, the Government is in power with a tremendous Parliamentary majority, but with the support of little more than one-third of the voters. Out of a membership of 60 in the Legislature, the U.F.A. number 43, but of a total vote of 159,862, the U.F.A. votes numbered only 58,119. Whether such a condition of unstable equilibrium can long continue is a question.

The Government of Alberta is a despotism of the U.F.A. minority. But it is a benevolent despotism. People generally, not its supporters, agree that it is honest and reasonably efficient.

I talked with a very prominent and well-informed man in Calgary, a Conservative. He expressed himself as well satisfied with the Government. Indeed he said that if he were called on to select a Cabinet, he doubted whether he could make a better selection than the one now in power. Similar expressions of general confidence I found everywhere. Coupled, however, with this general approval. I found a certain resentment on the part of many because they felt that under the present conditions, they were practically excluded from either support or effective opposition to the Government.

Meanwhile, U.F.A. membership is shrinking at a rather alarming rate. In 1921 it was 31,508. Now it is a mere 8,439. Various reasons for this shrinkage are given. President Wood in his annual address referred to the present as a "resting" period, and intimated that the shrinkage was a natural reaction from the intense activity of a few years ago. One man, very closely in touch with the Government, gave as his opinion that it was due to Mr. Wood's work on the Wheat Pool, which prevented him from giving necessary time to the U.F.A. organization. Another opinion gave three reasons for decline in membership. First, that the organization having practically become a political party, adherents of other parties were repelled; second, that the Wheat Pool had produced dissensions, and third, that the presence of a red element within the organization had alienated men of more moderate views. All these may be contributing causes.

**Worthwhile Objections**

As I sat and observed the convention, however, intelligent, solid men and women brought from all parts of the Province at considerable trouble and expense, and as I listened to the addresses, and the discussions of resolutions brought before it, I wondered if there might not be another still more potent cause for the shrinkage of the movement than any of these. As I remembered other farmers' conventions, and compared the weighty discussions of economic questions in former days with the wholly unimportant and often trivial matters which now seemed to occupy the whole attention of the meeting, I could not help thinking that the present state of lethargy might, at least in part, be due to the lack of definite and worthwhile objections, something worth fighting for.

Meanwhile, if the Government continues to rely on a solid U.F.A. vote, a minority vote, it is a necessity that it should have an active and numerous organization behind it. Failing this, it seems hardly probable that it should be able to maintain itself. It is a question whether it would not be well-advised to abandon its pretense to be a Group Government, which it is not, and, relying on its good record of administration, seek a broader basis of support in the approval of all classes of the community.

## *Twin City Rapid Position is Improved Materially*

Outlook for Twin City Rapid Transit has improved materially with the decision of the railway and warehouse commission of Wisconsin to permit an increase in the street-car fare in St. Paul to the same level as prevails in Minneapolis unless the voters of St. Paul relieve the company of certain paving charges. A special vote will be taken on the question in St. Paul on March 13th.

It is anticipated that the company will be afforded the relief asked for. The question was submitted to the voters on a previous occasion but was defeated. The defeat was attributed to the fact that a number of proposals all of them unpopular were submitted simultaneously. The fact that the fare will be raised if the paving charges are not remitted will affect the result of the vote, it is believed.

## BUILD. PRODUCTS HAS GOOD FUTURE IN YEAR OR TWO

### Management Has Certain Developments for Betterment

### SALES INCREASE 38%

### Profits Expected to be Better Than Three Times Amount Earned in 1926

From Our Own Correspondent

MONTREAL.—Building Products Ltd., is a company which can be expected to make rapid progress in the next year or two.

The management has pending certain constructive developments which will have a decidedly satisfactory bearing on the operations of the company. The shares were listed recently in Montreal where the stock found immediate favor with many brokers who are advising their clients to purchase the shares. Thus a wide market both in Toronto and Montreal is assured. Lastly, profits during the year just ended are much larger than were anticipated a month or two ago and sales during January have increased by 38 per cent. as compared with January of last year.

It also reported that a deal is in progress for the acquisition of the company by another large organization operating in the same field and that new financing will be undertaken on a basis favorable to the present shareholders of Building Products.

**No Truth in Report**

The Financial Post learns though that there is no truth in this report and that there is no thought of merging with any other organization or of undertaking new financing. Certain developments are pending, however, which, while they cannot be announced at present, are nevertheless of great significance to shareholders of the company as they point to a larger market for the output and should probably enable the company to procure its raw materials at advantageous prices.

Building Products was incorporated in 1925 with a capitalization of $700,000, 7 per cent. cumulative preferred with a par value of $100, of which there is at present some $700,000 outstanding. There are two classes of common stock. Class A is a non-voting common stock of no par value, of which there is issued and outstanding 105,360 shares. Class B has voting rights and there are issued and outstanding 4,500 shares. This latter stock bears voting rights on the basis of five votes for every share held.

The company itself is engaged in the manufacture of asphalt shingles, roll roofing, roofing felt, wallboard and allied products. It was formed to acquire two well established companies manufacturing the same line of products and through these companies Building Products was able to acquire four well equipped plants in various parts of Canada and also a well established connection in the United States. The two companies which entered the amalgamation were Bird & Son, Limited and the Ruberoid Company.

**Four Properties**

The company owns four properties which are located as follows: At Pont Rouge, Quebec, the company owns some 170 acres of land on which it is constructing a mill for producing felt paper with a capacity of 35 tons daily. The next property is some two and a half acres of land at Portneuf, Quebec, where there is a plant producing sheetings and wallboard paper with a capacity of twenty tons daily. There are two plants here, one of which is the main mill and the other is a wallboard plant.

Another property consists of some twenty acres of land at Ville La Salle near Montreal where there is a plant producing prepared roll roofing, asphalt shingles, saturated sheetings, wall board, paints and cements. This plant consists of four buildings. Finally, the company owns some eight acres of land at Hamilton, where a plant produces the same output as the Ville La Salle plant. There are four buildings at this plant.

For the year ending December 31, 1926, the net profits before providing for preferred dividends or contingency reserves, amounted to $209,999, which amounts to something like $1.03, and on each share of Class A and Class B common stock now outstanding.

Although, of course, the company's 1927 statement has not yet appeared and the annual meeting will not be held until the second Wednesday in March, it is understood that earnings for the year just ended will be better than three times the amount earned in 1926.

Thus on its past earnings, Building Products common shares appear to be selling high enough—but there is no stock changing hands on the markets today with a price comparable to past earnings. The market has discounted the future of most companies to an extent not yet witnessed in the shares of Building Products.

With its bettered earnings, with constructive developments pending, with profits increasing rapidly, Building Products shares today occupy a place in the investment field which, in view of the general buoyancy in market, may well make them attractive to any business man who desires to purchase a stock of this type for possible appreciation.

The traveling clinics introduced by the Provincial Department of Health, consisting of three nurses, two doctors and a dentist, to visit rural districts in Northern Alberta, have been so successful that it is proposed to extend this work to cover the entire province.

Work will begin at once on the $2,000,000 terminal grain house for the Alberta Wheat Pool, at Vancouver, and on the Railway Subway at North Vancouver, for the Harbor Board, the latter project involving $200,000.

## *Howard Wade Flies to Frisco*

HOWARD C. WADE, president of the United Bond Company Limited, of Windsor, an aero transport enthusiast, is making one of the pioneer trans-continental passenger trips by aeroplane.

Mr. Wade, well known in financial circles, left Saturday from Chicago for San Francisco on a Boeing Air Transport plane. His itinerary, with stops only for fuel and pilot changes, will include Des Moines, Omaha, Salt Lake City, Sacramento and San Francisco.

The total mileage will be 1918 and the total elapsed time for the journey will be 22½ hours.

Mr. Wade contemplates returning to his home by aeroplane also.

## B.C. ELECTRIC CO. ENLARGES CAPITAL WITH £1,000,000

### Shareholders to Have One Million £1 Shares at Par

Capitalization of British Columbia Electric Co., the parent company in Great Britain, has been increased by £1,000,000 with the issue to shareholders of record of 1,000,000 ordinary shares of £1 par value at par.

The capitalization consists of £1,440,000 perpetual preferred shares which are 5 per cent. cumulative and has a priority as to capital. The preferred ordinary shares totaling £1,440,000 are entitled to 5 per cent. non-cumulative and shares ratable with the deferred ordinary shares after that stock has received 7 per cent. The deferred ordinary shares, totaling £1,440,000 are entitled to a 7 per cent. non-cumulative dividend after the two preference stocks and ranks equally with the preferred ordinary as to assets. Until this issue, no ordinary shares had been issued, although 1,000,000 of £1 par value had been authorized.

Great progress has been made by the company's operating subsidiaries on the Pacific coast. Capital expenditures of considerable magnitude have been undertaken in various enterprises, especially on the Bridge river power development, where generators of 40,000-kilowatt capacity will be installed as a beginning, with the tunnel large enough to take care of a number of additional units as the demand requires. It is expected that the work will be completed in the early part of 1930.

Investors on the Pacific Coast have bought several million dollars of the preferred stock of the Canadian subsidiary.

## CIVIC OFFICIALS DO NOT EXPLAIN INCOME TAXES

### Impossible to Ascertain if Carrying Charges Deductible From Income

### TEST CASE IGNORED

### Amendment to the Ontario Assessment Act is Not Likely During This Session

Although a citizen of Toronto a year ago won a test case on an civic income tax matter concerning brokerage transactions on margin, enquiry at the Toronto assessment department fails to elicit an admission that carrying charges are deductible from income. Mr. Justice Hodgins held that dividends received by a broker were not income of the broker's client in whose name the transaction took place and that the dividends were not directly or indirectly received by him. Mr. Justice Ferguson and Mr. Justice Orde delivered separate judgments equally explicit and Mr. Justice Smith concurred.

Since then, there has been another case before Judge Denton in county court of York. In this case, the defendent citizen owned the stock outright but had it deposited as collateral for a loan at a bank. He endeavored to have the carrying charges on the loan deducted from the income from dividends. The city won this case and there has been no appeal. In discussing the former case Mr. Justice Orde remarked if "the absolute owner of stock receives the dividends himself and uses them to pay interest on borrowed money, he could not of course hope to set off the interest against the dividends."

Thus, so far as civic income tax in Ontario is concerned, the rule is that, in marginal transactions, dividends are taxable only in so far as they exceed carrying charges. But, if the investor is carrying his stock at a bank, he is not entitled to deduct interest charged by the bank from the income received as dividends.

It is interesting to note, that, following the Stout case, an amendment to the Ontario assessment act which specifically would have exempted carrying charges was introduced in the legislature. But the amendment did not get very far and it is said that it is improbable that it will be passed in the current session.

Fifty per cent. of the entire estimated Canadian grain crop for the present season has already been marketed over the lines of the Canadian Pacific Railway, the exact figure up to January 31st being 206,269,000 bushels.

## Lake St. John Power Begins to Produce

From Our Own Correspondent

MONTREAL.—The Lake St. John Power and Paper Company has begun to produce paper. The first machine has entered production and is operating satisfactorily. The second machine is to produce immediately. The plant will be brought up to its capacity as soon as the machines can be tuned up as the total output has been purchased for a term of years.

The first machine was turned over in January—the date scheduled for the completion of the plant. The completion and bringing the plant into production is regarded by newsprint men as an achievement of which the management may well be proud, as the mill was erected in what hitherto was practically an uninhabited area. Work began on the mill long before the completion of the railway to the area north of Lake St. John.

## DAIRY SHOWS PROFIT IN SASKATCHEWAN

### Co-operative Creameries, Ltd., Have Small Operating Profit

Report of Saskatchewan Co-operative Creameries, Ltd., for the ten months ended December 31st, (this being the first ten-months since Caulders' Creameries and the Co-operative were amalgamated) shows a small operating profit, it is reported, and the directors stated to the shareholders at the annual meeting February 7th that the outlook is highly favorable.

The actual figures will not be published, it is reported, but the directors give assurances that the company has done somewhat better than was anticipated when the merger was effected early last year. There has been a very material reduction in operating expenses, and it is expected that this year will see further economies.

Current position of the company is not strong, but it has been possible to maintain dividends on the two classes of preferred stock and the government guarantees (secured by mortgages) offset in some degree what would be otherwise a most unfavorable balance sheet. When the company began business a year ago, there was a goodwill account of $600,000. It is admitted that this sum is large in view of the earnings position of the company, but it is hoped that it can be reduced gradually, especially as it is expected that the dairy business in Saskatchewan will increase naturally.

The Province of British Columbia is surrendering all its rights, title and interest in the Kitsilano Indian Reserve, Vancouver, to the Dominion government for a sum of $350,000.

## DOM. POWER COMMON UP, RECENT HIGH

### Improved Outlook, Rumor of Sale, Results in Bidding to 57

### HAMILTON DOES WELL

### Report of Negotiations for Purchase of Company by Ontario Hydro Are Not Confirmed

Improved outlook for Dominion Power & Transmission Co., and the report of negotiations whereby the company may be bought out by the Ontario Hydro, have resulted in active bidding for the common stock of the company by dealers in unlisted securities in Toronto. One dealer reached a high bid of 48, but a dealer in Hamilton reported some transactions at 53. Toronto curb market transactions were between 55 to 57. Until a few weeks ago the stock was selling between 25 and 33. As the stock is traded only between dealers, there is invariably a wide spread between seller and buyer.

It is believed that some of the strength in the common shares is attributable to forecasts of the 1927 report, which should be available in a few weeks. Moreover, the jitneys are to be put off the streets of Hamilton in June of this year and, following that, it is possible that the street car fare will be increased from five cents. W. E. Phin, general manager of the company, told shareholders at the annual meeting a year ago that the outlook for the company had been improved and he predicted better times for street railways in cities, although the future for interurban lines remains in doubt.

Hamilton, it may be said, is more prosperous at this time than for several years and the immediate future is highly promising. This condition of affairs is reflected directly in the earnings of Dominion Power, which not only operates the street railway and some of the bus lines, but also supplies to nearly all the large industrial users the whole of their hydro electric current.

It is notable, moreover, that the company in the last two or three years has built up valuable goodwill among street-car riders and other patrons of the company in Hamilton and elsewhere. The company successfully has conducted two customer-ownership campaigns whereby the public took large blocks of the 7 per cent. cumulative preferred stock.

The company has an exclusive power franchise in Grimsby.

## Mutual Finance Corporation

LIMITED

Windsor - Ontario

The ninth Annual Meeting of the shareholders of the Company was held on Thursday, January 26th, 1928, at which the following financial statement was presented for the year ended December 31st, 1927.

ASSETS

| | | | |
|---|---|---|---|
| Cash on hand and in Chartered Banks | | | $ 111,372.54 |
| Investments in Improved Property Mortgages and Securities:— | | | |
| Principal | | $2,803,809.73 | |
| Accrued Interest Receivable | | 20,632.01 | |
| | | | $2,824,441.74 |
| Accounts Receivable | | | $ 2,996.19 |
| Furniture and Equipment— Less Depreciation | | | $ 6,277.77 |
| Other Assets | | | $ 850.00 |
| Deferred Charges to Operation | | $ 77,188.91 | |
| (In 1921 account stood at | | 178,113.07) | |
| (Written off since 1921 | | 119,113.07) | |
| (Written off in 1927 | | 18,188.91) | |
| | | | $ 59,000.00 |
| | | | $3,004,938.24 |

LIABILITIES

LIABILITIES—To the Public

| | | | |
|---|---|---|---|
| Current Accounts Payable | | $ 702.59 | |
| Mortgages Payable on Real Estate: | | | |
| Principal | $1,637,850.00 | | |
| Interest Accrued (but not due) | 27,925.65 | | |
| | | $1,665,775.65 | |
| Total | | | $1,666,478.24 |

LIABILITIES—To Shareholders

| | | | |
|---|---|---|---|
| Dividends Payable (on Jan. 15th, 1928) | | 44,460.00 | |
| Capital Stock (Issued and Fully Paid) | | | |
| Preferred (par value) | $684,000.00 | | |
| Common (par value) | 342,000.00 | | |
| | $1,026,000.00 | | |
| Surplus and Deferred Profits: After all deductions for depreciation on equipment, deferred charges to operations, etc. | | $ 268,000.00 | |
| Total | | | $1,338,460.00 |
| Total | | | $3,004,938.24 |

PROFIT AND LOSS

| | | |
|---|---|---|
| After providing for all expenses of rent, auditors' fees, management, advertising and other charges, there remained a Realized Profit for the year of | $114,719.25 | |
| Deduct:— | | |
| Dividends Nos. 22 and 23 Preferred Stock | $54,720.00 | |
| Dividend No. 7, Common Stock | 17,100.00 | |
| | $ 71,820.00 | |
| Dominion and Municipal Taxes | 9,261.51 | |
| | | $ 81,081.51 |
| Transferred to Surplus and Deferred Profits | | 33,637.74 |
| | | $114,719.25 |

All investments and transactions have been scrutinized and approved of by the Directors. A continuous audit has been maintained by the Company's own officers and by the auditors appointed by and reporting to the shareholders.

On behalf of the Directors.

A. F. HEALY, President. C. W. McDIARMID, General Manager.

AUDITORS' CERTIFICATE

AUDITORS' REPORT

To the Shareholders:

We hereby certify that the Balance Sheet, in our opinion, is properly drawn up so as to exhibit a true and correct view of the financial position of the Mutual Finance Corporation, Limited, at December 31st, 1927, as shown by the books of the Corporation.

All our requirements as Auditors have been complied with. To the best of our knowledge the values of the assets are not more than their fair realizable or market values.

RIDDELL, STEAD, GRAHAM & HUTCHISON, *Chartered Accountants.*

REMOVAL NOTICE

We wish to announce the removal of our offices to the ground floor of the McKinnon Building,

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February 6th, 1928 TORONTO

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HUNTLY R. DRUMMOND, *Vice-President*

H. B. MACKENZIE, *General Manager*

R. P. JELLETT, *Asst. Gen. Manager*

G. T. BOGERT, *Supt. of Branches*

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BRANCHES

CALGARY, EDMONTON, HALIFAX, HAMILTON, OTTAWA, QUEBEC, ST. JOHN, N.B., ST. JOHN'S, NFLD., TORONTO, VANCOUVER, VICTORIA, WINNIPEG

Assets under Administration exceed

$380,000,000

831R

# Current Events in Banking World

## Call Loans in Canada Attain New High Peals

Never before have Canadian banks utilized their funds so largely in making call loans as at the present time. This is one of the most significant processes of change in Canadian banking policy revealed by successive bank statements from the Dominion government. The December statement, showing $242,000,000 of money on call in Canada in addition to the $290,500,000 on call outside of Canada, chiefly in New York, indicates that the movement has attained a new high peak.

The following figures show the trend:

**Call Loans in Canada**

| | |
|---|---|
| January, 1923 | $ 90,025,233 |
| January, 1924 | 107,113,769 |
| January, 1925 | 114,148,522 |
| January, 1926 | 120,402,484 |
| January, 1927 | 142,204,832 |
| February | 153,586,957 |
| March | 153,357,204 |
| April | 159,933,000 |
| May | 177,858,196 |
| June | 187,366,393 |
| July | 184,563,897 |
| August | 192,344,392 |
| September | 200,321,285 |
| October | 210,989,725 |
| November | 233,332,963 |
| December | 241,964,697 |

The rise in the importance of Canadian stock markets, the increase in speculative investment within Canada and the large amount of new corporate financing may be accepted as the chief causes of the increased call loans in Canada. While bankers urge caution in making new speculative commitments they show their faith in the fundamental policy of diverting speculation from New York to Canada by loaning freely to brokers in this country.

Other significant changes in the bank statements are brought out in the analysis of the December bank statement which has been made by The Financial Post and which appears below:

**BANK STATEMENT FOR MONTH OF DECEMBER**

| | Dec., 1927 | Nov., 1927 | Change | Dec., 1926 | Change |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| **Immediately Available Liquid Resources — Assets** | | | | | |
| Specie | 76,519,034 | 98,965,069 | —22,446,035 | 72,490,249 | + 4,028,785 |
| Dom. notes | 138,803,816 | 138,470,349 | + 333,467 | 137,734,954 | + 1,068,862 |
| Gold reserve | 74,045,332 | 69,170,332 | + 4,875,000 | 68,810,332 | + 5,235,000 |
| U. K. banks | 4,760,408 | 5,416,981 | — 656,573 | 14,789,812 | — 10,029,404 |
| Foreign banks | 69,059,376 | 75,652,912 | — 6,593,536 | 60,749,310 | + 8,310,066 |
| Foreign curr. | 29,433,606 | 30,891,626 | — 1,458,020 | 25,980,778 | + 3,452,828 |
| Govt. secs. | 325,834,979 | 300,347,823 | +25,487,156 | 304,016,077 | + 21,818,902 |
| Call loans ab'd | 290,584,174 | 298,641,795 | — 8,057,621 | 272,597,360 | + 17,986,814 |
| | 1,009,040,725 | 1,017,556,887 | — 8,516,162 | 957,168,873 | + 51,871,852 |
| **Loans and Securities Other Than Those of Canadian Government** | | | | | |
| Pub. secs. | 140,503,628 | 126,726,786 | +13,776,842 | 120,249,826 | + 20,253,802 |
| Rly. secs. | 63,105,571 | 60,603,718 | + 2,501,853 | 59,353,104 | + 91,018,203 |
| Can. call loans | 241,964,697 | 223,332,963 | +18,631,734 | 150,946,494 | + 91,018,203 |
| Current loans | 1,082,732,324 | 1,079,401,147 | + 3,331,177 | 970,053,595 | +112,678,729 |
| Loans abroad | 264,708,072 | 249,822,129 | +14,885,943 | 269,558,311 | — 4,850,239 |
| Prov. loans | 25,194,213 | 26,708,929 | — 1,514,716 | 24,569,766 | + 624,447 |
| Municipal loans | 54,618,014 | 67,340,570 | —12,722,556 | 60,579,212 | — 5,961,198 |
| | 1,872,826,519 | 1,833,936,242 | +38,890,277 | 1,655,310,308 | +217,516,211 |
| **Other Assets** | | | | | |
| Non. curr. loans | 7,456,080 | 7,809,182 | — 353,102 | 8,920,185 | — 1,464,105 |
| Real estate | 7,436,177 | 7,266,601 | + 169,576 | 7,907,789 | — 471,612 |
| Mortgages | 6,396,595 | 6,628,873 | — 232,278 | 5,764,377 | + 632,218 |
| Premises | 69,059,077 | 69,362,591 | — 303,514 | 70,426,784 | — 1,367,707 |
| Lets. of credit | 83,137,272 | 81,910,929 | + 1,226,343 | 74,556,068 | + 8,581,204 |
| Loans to comp. | 6,415,080 | 6,675,545 | — 260,465 | 5,420,287 | + 994,793 |
| Other assets | 2,774,834 | 2,651,030 | + 123,804 | 2,885,732 | — 110,898 |
| | 182,675,115 | 182,304,751 | + 370,364 | 175,881,222 | + 6,793,893 |
| Total | 3,064,542,359 | 3,033,797,880 | +30,744,479 | 2,788,360,403 | +276,181,956 |
| Note cir. dep. | 5,938,447 | 5,930,129 | + 8,318 | 5,774,935 | + 163,512 |
| Int. bank bal. | 161,177,499 | 202,672,864 | —41,495,365 | 145,765,460 | + 15,412,039 |
| Gross | 3,231,658,305 | 3,242,400,873 | —10,742,568 | 2,939,900,798 | +291,757,507 |
| **Liabilities to the Public — Liability to Government and Circulation** | | | | | |
| Circulation | 182,747,049 | 180,859,206 | + 1,887,843 | 175,083,324 | + 7,663,725 |
| Dom govt. | 43,402,056 | 52,569,651 | — 9,167,595 | 15,633,144 | + 27,768,912 |
| Prov. govt. | 19,074,766 | 32,062,857 | —12,988,091 | 15,764,554 | + 3,310,212 |
| Govt. advances | 32,500,000 | 17,000,000 | +15,500,000 | 11,500,000 | + 21,000,000 |
| **Deposits by Public** | | | | | |
| Demand Dep. | 684,431,406 | 710,323,180 | —25,891,774 | 608,889,986 | + 75,541,420 |
| Savings Dep. | 1,444,528,540 | 1,430,955,703 | +13,572,837 | 1,372,763,485 | + 71,765,055 |
| Total | 2,128,959,946 | 2,141,278,883 | —12,318,937 | 1,981,653,471 | +147,306,475 |
| Foreign Dep. | 374,425,788 | 380,186,499 | — 5,760,711 | 334,458,041 | + 39,967,747 |
| **Due Banks Abroad, Etc.** | | | | | |
| United Kingdom | 18,507,049 | 9,152,337 | + 9,354,712 | 7,684,520 | + 10,822,529 |
| Foreign | 55,632,266 | 51,423,975 | + 4,208,291 | 42,954,564 | + 12,677,702 |
| Bills Pay. | 5,900,997 | 7,716,542 | — 1,815,545 | 8,937,365 | — 3,036,368 |
| Lets. of Cred. | 83,137,272 | 81,910,929 | + 1,226,343 | 74,556,068 | + 8,581,204 |
| Other Liab. | 2,569,290 | 2,466,587 | + 102,703 | 2,292,131 | + 277,159 |
| Pub. Liab. | 2,946,856,479 | 2,956,627,466 | — 9,770,987 | 2,670,517,182 | +276,339,297 |
| Due Bet. Banks | 13,041,158 | 13,632,918 | — 591,760 | 11,713,199 | + 1,327,959 |
| **Liability to Shareholders** | | | | | |
| Dividends | 796,737 | 4,279,056 | — 3,482,319 | 792,084 | + 4,653 |
| Reserve | 133,566,700 | 132,041,700 | + 1,525,000 | 125,441,700 | + 8,125,000 |
| Capital | 122,764,660 | 122,764,660 | | 117,164,660 | + 5,600,000 |
| Gross | 3,217,025,734 | 3,229,345,800 | —12,320,066 | 2,925,628,825 | +291,396,909 |

## Bank Chat

A. J. Downing, manager of the Bank of Montreal, at Tara, for the past two and one-half years, has received notice of his appointment as manager of the Newmarket branch.

* * *

After spending thirteen and a half years in the district as manager of the Canadian Bank of Commerce at Courtenay, B. C., Mr. Brock has severed his connection with that institution.

* * *

The Hon. W. A. Black, M.P., of Halifax, formerly Minister of Railways and Canals in the Meighen Government, and also president of the Eastern Trust Co., and a director of the Royal Bank of Canada, has arrived in London, Eng.

* * *

Auditors of the Dominion Bank are in Seaforth going over the books of the local branch, investigating a suspected shortage of funds. The situation as it now stands has resulted in the suspension of one member of the staff for an indefinite period.

* * *

The Lieut.-Governor of Ontario, Hon. W. D. Ross, Mrs. William D. Ross and Miss Isobel Ross, with Capt. Haldenby in attendance, were present at the successful "Leap Year" dance, given by the President and members of the Recreation Club of the Bank of Nova Scotia, at Casa Loma Hotel, Toronto.

* * *

A deal is under way by which the Mexico City branch of the Bank of Montreal will advance the Mexican government 5,000,000 pesos. If the deal is concluded it will be the first loan to the government by a banking institution in Mexico since the fall of the Diaz regime. The loan will probably be guaranteed by the country's consular fees, which total about 25,000,000 pesos a year.

* * *

Sir William Hearst, K.C., formerly vice-president of the Municipal Bankers' Corporation, Toronto, has been elected president to fill the vacancy caused by the death of Sir John Willison. John McMillan, general manager of the C.P.R. Telegraphs, and Dr. R. J. Sprott have been elected vice-presidents.

* * *

Two new Toronto directors have been added to the board of Toronto General Trust in A. F. Phipps, general manager of the Imperial Bank, and C. S. MacInnes.

* * *

Announcement has been made that the Provincial Bank has purchased from Nesbitt, Thomson and Company, the Royal Bank Building, in Montreal, at present the building is to house their own organization as well as that of the Power Corporation, but have since found that there was not sufficient space to house their organization with that of the Power Company's. It is further understood that the present home of the Provincial Bank has been purchased by Aldred and Company, while Nesbitt, Thomson's plans have not been learned.

## Weekly Bank Clearings

(As compared with same week last year)

| | Feb. 3, 1927 | Feb. 2, 1928 |
|---|---|---|
| **Eastern Cities** | | |
| Halifax | $ 2,651,534 | $ 2,770,877 |
| St. John | 2,431,258 | 2,729,259 |
| Moncton | 881,022 | 686,371 |
| Sherbrooke | 827,739 | 919,628 |
| Quebec | 5,475,846 | 5,364,198 |
| Montreal | 122,629,952 | 153,912,259 |
| Ottawa | 6,706,697 | 7,116,943 |
| Kingston | 649,859 | 719,107 |
| Peterboro' | 772,798 | 1,069,148 |
| Toronto | 124,770,768 | 158,701,513 |
| Hamilton | 6,384,529 | 6,609,135 |
| Brantford | 898,400 | 1,562,197 |
| London | 3,137,019 | 3,261,577 |
| Kitchener | 1,000,057 | 1,055,048 |
| Windsor | 3,721,250 | 4,457,176 |
| Chatham | 863,381 | 918,182 |
| Fort William | 743,941 | 892,610 |
| **Western Cities** | **Feb. 3, 1927** | **Feb. 2, 1928** |
| Winnipeg | $ 47,654,065 | $ 54,615,277 |
| Brandon | 479,325 | 531,126 |
| Regina | 3,439,202 | 4,149,209 |
| Moose Jaw | 1,107,328 | 1,108,284 |
| Saskatoon | 1,608,413 | 2,057,824 |
| Prince Albert | 378,177 | 424,118 |
| Lethbridge | 447,315 | 706,926 |
| Calgary | 7,568,390 | 13,790,023 |
| Edmonton | 4,553,636 | 6,236,279 |
| Medicine Hat | 236,203 | 402,326 |
| New Westminster | 756,374 | 791,762 |
| Vancouver | 22,959,378 | 24,308,702 |
| Victoria | 2,170,072 | 2,218,280 |


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## 27 STUDENTS PASS LAST EXAMINATION OF C.A. INSTITUTE

### Candidates Are from Toronto, Ottawa, Hamilton, Brantford, Kitchener

The Council of the Institute of Chartered Accountants of Ontario announces the results of the yearly examination held in December last. Twenty-seven students have completed the full term of their course, have passed the final examination and will shortly be admitted as members of the Institute with the degree of C.A. Successful candidates are residents of Ottawa, Hamilton, Brantford, Kitchener and Toronto. Gold Medals and Prizes awarded to finalists as follows:—

Institute Gold Medal—to J. S. Swinden, of Toronto.

George Edwards Prize—to W. H. Moore, of Toronto, for the highest standing on the "Accounting" papers.

W. T. Kernahan Prize—to Hugh A. MacKenzie, of Toronto, for the highest standing on the "Auditing" papers.

E. R. C. Clarkson Gold Medal—to W. H. Hamilton, of Brantford, for the highest standing on "Business Investigations."

Results of Intermediate and Primary examinations are also announced. Fifty-three Students were successful in passing the Intermediate and forty-nine in passing the Primary exams. Prizes to students showing the best results in these examinations were awarded as follows:—

Intermediate First Prize—to George W. Bond, of Toronto.

Intermediate Second Prize—to Douglas R. Trist, of Toronto.

Primary First Prize—to D. G. Richards, of Toronto.

Primary Second Prize—to L. Montgomery, of Kitchener.

The following is a complete list of the successful candidates:—

Final Examination—Allison, J. M.; Andrews, Dean M.; Brock, T. H. R.; Brown, J. G.; Browning, W. C.; Burkholder, F. H.; Chamberlain, K. H.; Chase, T. M.; Cuthbertson, S. O.; Davidson, J. L.; Hamilton, W. H.; James, F. S.; Kay, Wm. R.; Kilty, C. G.; MacKenzie, A. R.; MacKenzie, H. A.; Moore, W. H.; McCarthy, D. A.; McCarthy, F. W.; Neal, Ross E.; Neff, Jas. R.; Page, R. H. C.; Parker, E. F.; Ratney, Moses; Saunders, S. F.; Swinden, J. S.; Tod, P. Leslie.

Intermediate Examinations—Beaven, H. F.; Bell, J. Blake; Bond, Geo. W.; Boyd, H. E. H.; Brower, J. E.; Burpee, H. T.; Cohen, Louis H.; Cumpston, G. O.; Davidson, M. B.; Dilworth, Ralph; Doelle, A. S.; Dwyer, H. C.; Dwyer, F. A.; Harper, S. E.; Horne, W. R.; Hunter, C. J.; Inrig, W. D.; Johnston, W. R.; Kennedy, A. M.; Kidner, J. F.; Langstone, T. W.; Lawrence, Earle D.; Leckie, J. H.; Lett, Terence H.; Livingstone, J. V.; Logan, R. Ross; Lorenzen, F.; Miners, K. A.; Moore, W. C.; Muir, Harold J.; McDonald, R. R.; Niblock, J. N.; O'Sullivan, F. W.; Pattison, G. B.; Phipps, R. B.; Pope, H. C.; Punchard, J. K.; Quayle, A. W.; Read, W. G. B.; Reeves, J. S. Richards, Cecil; Robertson, F. W.; Rudolf, R. G.; Scott, G. M.; Scully, V. W. T.; Sears, Chas. T.; Slater, H. L.; Stewart, G. L.; Swinden, J. N.; Todd, Goldwin S.; Trist, D. R.; Weldon, W. Bert; Williams, B. H.

Primary Examination — Abrams, George; Ampleford, D. A.; Armstrong, Arthur; Bartlett, H. F.; Berner, C. H.; Campbell, D. E.; Campbell, W. M.; Chester, Lane R.; Cohen, Alex M.; Collins, J. H.; Cox, Harold C.; Doe, Gilbert A.; Durnan, C. G.; Fickes, Ray H.; Forrester, D. W.; Gibson, T. H.; Gordon, W. L.; Greenwood, W. K. E.; Hall, Thos. J.; Hallamore, A. S.; Hammond, H. L.; Healy, H. M.; Hill, A. C.; Hodgens, E. B.; Hunter, Ernest W.; Jamieson, J. M.; Jones, R. M. Jr.; Kemp, E. N.; Leranbaum, E. J.; Logan, B. J.; Lugsdin, L. E.; Macdonnell, R. B.; Montgomery, L.; McCoy, W. J.; McCutcheon, F. R.; Pearson, C. W.; Rea, W. Harold; Reid, J. H.; Reid, Ralph W.; Richards, D. G.; Ritchie, C. A.; Robson, J. A.; Sharpe, Stuart C.; Smith, G. E. F. Jr.; Smith, L. J.; Stevenson, A. R.; Stoddard, C. W.; Symons, J. T.; Way, H. J.

## Henwood Was Junior Forty Years Ago

Harvey B. Henwood, who, on February 1st, assumed the position of general manager of the Bank of Toronto, entered the service of the institution as junior at the Port Hope branch in 1888. After receiving his earlier training at the main branches in Toronto, London and Montreal, he was appointed to manage his first branch in Barrie in 1905. In 1909 he opened the bank's branch in Vancouver; in 1911 he returned Montreal branch as manager and in 1922 was appointed assistant general manager at head office.

Mr. Henwood brings to his new position a good general knowledge of the bank's business, and is well known to clients of the institution throughout Canada.

Total returns of $435,506 were realized for stock marketed through the Blindman Valley Hog Pool Association.

The province of Alberta exported goods to the value of $9,120,305 to the United States during the year 1927.

## RECORD OUTPUT ELECTRIC POWER MADE IN 1927

### Central Stations Produced 10 Per Cent. More Than in Previous Year

Production of electrical energy, both for domestic and export purposes, during the past year exceeded that of 1926 by a substantial margin. Returns compiled by the Bureau of Statistics show that output of central electric stations totalled 12,326,674 thousands of kilowatt hours, as compared with 11,162,522 in the preceding year, an increase of 1,164,152.

Further analysis of the report issued by the Government reveals the fact that practically all of this increased output was accounted for by hydro-electric stations. There was no falling off in the amount of power generated by fuel; in fact there was an increase, but it was comparatively small when power produced from water is taken into consideration.

**Daily Average High**

For the month of December last, the average daily output of all central stations amounted to 38,671 thousands of kilowatt hours. This is an increase of nearly 5,000 over the same month of 1926 and of over 8,000 in excess of the 1925 total. At the same time, average daily exports do not show such a sharp advance, the increase from one year end to another, totalling less than 100.

Returns for the five economic areas show a proportionate increase for each one. The average daily output range in the Maritimes during 1926 was from 308 in January to 424 in December, while for the same periods in 1927, the average had moved up to 369 and 476 respectively.

Quebec reports a much more rapid increase. In January of 1926, the average daily output only amounted to 9,859. The succeeding months saw a steady increase and for January, 1927, the record stood at 10,845. Production varied last year, but all the time there was a steady advance, December's figure of 14,995 establishing a new record for all time.

The increase in production in Ontario was not so pronounced. The lack of new developments in that province has precluded any marked advance, although production at the end of the year was the highest ever established. The average daily output in December, 1927, was 16,280, which compares with 16,117 in the same month a year ago.

At the beginning of 1928, the Prairie Provinces reported an average daily output of 1,990 thousand kilowatt hours. This was stepped up in the succeeding months and at the end of the year stood at 2,390. The past year witnessed further progress, the average increasing from 2,504 to 3,251 in December last. A substantial part of this increase is attributable to power generated from fuel.

British Columbia continues to make steady progress in the widespread use of electric [illegible]. The increase in the average [illegible] output, however, is not as [illegible] proportionately as in the [illegible] areas. At the end of 1926, for [illegible] ample, average daily output [illegible] led 2,613, while for December, [illegible] the mark set up was only [illegible]. Developments within the province however, presage a growing production for 1928.

## AGENTS OF MUTUAL ENTERTAIN CHIEFS

The Granite Club, Toronto, was the scene of an interesting and enjoyable entertainment last week when the Toronto field men of the Mutual Life of Canada inaugurated a new feature in their yearly programme by inviting the general manager, W. H. Somerville, the guest of the evening, together with the chairman of the board, C. M. Bowman, and the three Toronto directors, Messrs. Glen Osler, T. A. Russell and John Kerr Fisken, to meet them at an informal dinner party. Mr. Bowman discussed the company's investments and referred to the successes of the past year and especially to the fact that the rate of returns on investments had been well maintained despite the general lowering of interest rates.


Wabasso Cottons are Canada's best

WABASSO COTTONS include Sheets, Sheetings, Pillow Cases, Circular Cottons, Madapolams, Cambrics, Nainsooks, Longcloths, Lawns, Voiles, Twills; also a complete colour range in Mulls, Voiles, Check Nainsooks, Lingerie Cloths and Broadcloths in the Newest shades.

The new Wabasso Silks are attractive fabrics made from finest Combed Yarns and Celanese. They are as pretty as the Rainbow.

The Wabasso Cotton Company, Limited
Three Rivers, Que.



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6% Cumulative First Preferred Stock
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Williams, Partridge & Rapley, Limited
171 ST. JAMES ST., MONTREAL



Outstanding Achievement
Over Half a Billion BUSINESS-IN-FORCE in 35 Years

Annual Statement [CONDENSED]

Year ending December 31st, 1927

| | |
|---|---|
| New business Issued | $ 75,391,761.00 |
| *Business in Force | 502,544,842.00 |
| Income | 23,902,307.33 |
| Assets | 94,909,288.96 |
| Liabilities | 91,424,753.40 |
| Gross Surplus Earned | 4,833,298.88 |
| Provision for Future Profits to Policyholders | 9,152,384.00 |
| Unassigned Profits and Contingency Reserve | 3,484,535.56 |

* Over Five Hundred Million Dollars of protection sheltering the homes of this continent.

Lower Expense Rate
Lower Mortality Rate
Increased Surplus Earnings

1928 is Policyholders' Service Year

Protection with Profit

The Great-West Life Assurance Company



Chrysler PRICES
Effective Immediately

New Chrysler "52"
Coupe $870
Roadster (with rumble seat) 870
Touring 870
Two-door Sedan 880
Four-door Sedan 930
DeLuxe Coupe (with rumble seat) 930
DeLuxe Sedan 1000

Great New Chrysler "62"
Business Coupe $1350
Roadster (with rumble seat) 1370
Touring 1375
Two-door Sedan 1450
Coupe (with rumble seat) 1490
Four-door Sedan 1530
Landau Sedan 1600

Illustrious New Chrysler "72"
Two-Pass. Coupe (with rumble seat) $1995
Sport Roadster (with rumble seat) 2060
Royal Sedan 2060
Four-Pass. Coupe 2060
Town Sedan 2205
Convertible Coupe (with rumble seat) 2265
Crown Sedan 2335

New 112 h.p. Imperial "80"
Roadster (with rumble seat) $3745
Five-Pass. Sedan 3945
Town Sedan 4010
Seven-Pass. Sedan 4120
Sedan Limousine 4685

All prices f. o. b. Windsor, Ontario, including standard factory equipment (freight and taxes extra.)

CHRYSLER

at Sensational New LOWER PRICES!
Quality Unchanged
$870 (and upwards)
40 Body Styles

Chrysler's sensational rise from 27th to 3rd place in sales in 42 months is the result of a phenomenal public preference that has continuously demanded a record-breaking volume of quality motor cars.

Chrysler's tremendous production and rapid growth are the direct results of public recognition of values and savings which only Chrysler Standardized Quality can provide.

You will then instantly recognize why Chrysler cars—by the most astounding price savings which result from a huge and rapidly growing public demand—are today more than ever the most marvelous motor car values in their respective price groups.

THE CANADIAN-BUILT CHRYSLER FOR CANADIANS


# Return of the Chartered Banks of the Dominion of Canada December 31st, 1927

**Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 32, of the Statutes of 1923**

**Liabilities**

| NAME OF BANK | Notes in Circulation | Due to Dominion Government | Advances under Finance Act | Due to Provincial Governments | Demand Deposits in Canada | Savings Deposits in Canada | Deposits elsewhere | Bals. due to other banks in Canada | Due to Banks in U.K. | Due to Banks elsewhere | Bills Payable |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Montreal | 45,181,461 | 25,073,568 | ........ | 6,339,474 | 186,420,614 | 394,319,686 | 100,649,250 | 2,369,446 | 4,780,460 | 6,823,683 | 513,888 |
| Nova Scotia | 15,190,166 | 3,224,298 | ........ | 298,138 | 37,821,29[illegible] | 128,443,001 | 33,711,833 | 2,366,879 | 216,317 | 1,416,482 | 1,495,264 |
| Toronto | 8,712,523 | 452,652 | 2,500,000 | 288,287 | 36,444,65[illegible] | 62,763,087 | ........ | 1,909,641 | 239,601 | 1,892,813 | 47,287 |
| Provinciale | 4,417,028 | 194,41[illegible] | 1,000,000 | 202,825 | 5,685,42[illegible] | 33,560,198 | | ........ | ........ | 71,915 | ........ |
| Commerce | 28,167,722 | 3,277,548 | 7,000,000 | 2,958,707 | 127,898,34[illegible] | 239,728,835 | 48,127,577 | 866,329 | 1,405,311 | 18,244,601 | 139,434 |
| Royal | 42,143,133 | 6,446,306 | 17,000,000 | 5,408,240 | 169,036,38[illegible] | 297,789,925 | 187,594,335 | 829,041 | 9,520,173 | 21,359,500 | 3,687,556 |
| Dominion | 7,844,817 | 2,034,135 | ........ | 320,190 | 34,311,16[illegible] | 69,217,182 | 2,874,246 | 2,199,987 | 1,042,794 | 1,882,023 | 17,568 |
| Standard | 6,912,490 | 432,139 | 5,000,000 | 293,788 | 24,248,031 | 53,807,979 | ........ | 1,311,006 | 276,213 | 2,929,138 | ........ |
| Nationale | 13,305,899 | 1,192,723 | ........ | 1,014,458 | 25,960,952 | 91,522,129 | 1,468,547 | 10,821 | 63,405 | 630,256 | ........ |
| Imperial | 10,161,265 | 905,510 | ........ | 1,911,754 | 34,623,933 | 70,403,831 | ........ | 1,178,008 | 962,775 | 363,904 | ........ |
| Weyburn Security | 710,545 | 168,761 | ........ | 38,905 | 1,980,609 | 2,972,687 | ........ | ........ | ........ | 18,951 | ........ |
| Total | 182,747,049 | 43,402,056 | 32,500,000 | 19,074,766 | 684,431,406 | 1,444,528,540 | 374,425,788 | 13,041,158 | 18,507,049 | 55,632,266 | 5,900,997 |

| NAME OF BANK | Letters of Credit | Other Liabilities | Dividends Declared & unpaid | Reserve Fund | Capital paid up | Total Liabilities | Capital authorized | Capital subscribed | % last dividend | Loans to Directors | Average gold and Coin Held | Average Dominion Notes held | Greatest amount notes in Circ. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | % | $ | $ | $ | $ |
| Montreal | 13,168,449 | 1,082,369 | 29,685 | 30,916,700 | 29,916,700 | 847,585,439 | 31,175,000 | 29,916,700 | 12 | 3,431,480 | 31,068,436 | 69,220,027 | 48,361,886 |
| Nova Scotia | 6,388,227 | 286,036 | 400,828 | 20,000,000 | 10,000,000 | 261,257,773 | 15,000,000 | 10,000,000 | 16 | 1,345,034 | 9,024,086 | 14,086,103 | 16,715,509 |
| Toronto | 2,783,231 | 250,000 | 1,954 | 7,000,000 | 5,000,000 | 130,285,730 | 10,000,000 | 5,000,000 | 12 | 2,494,237 | 345,500 | 4,395,400 | 9,576,878 |
| Provinciale | 29,296 | 41,917 | 5,862 | 1,500,000 | 4,000,000 | 50,708,880 | 5,000,000 | 4,000,000 | 9 | ........ | 184,772 | 533,342 | 4,520,213 |
| Commerce | 14,951,788 | ........ | 20,260 | 20,000,000 | 20,000,000 | 532,786,462 | 25,000,000 | 20,000,000 | 12 | 5,310,906 | 17,744,000 | 16,294,000 | 31,141,933 |
| Royal | 38,902,015 | 250,596 | 68,462 | 30,000,000 | 30,000,000 | 860,035,678 | 40,000,000 | 30,000,000 | 12 | 2,307,253 | 11,616,157 | 8,982,848 | 46,245,117 |
| Dominion | 4,740,097 | 635,915 | 242,106 | 8,000,000 | 6,000,000 | 141,362,229 | 10,000,000 | 6,000,000 | 12 | 923,352 | 2,157,000 | 6,447,000 | 8,603,167 |
| Standard | 463,999 | ........ | 1,835 | 2,900,000 | 4,823,400 | 103,400,023 | 5,000,000 | 4,823,400 | 12 | 125,322 | 465,046 | 3,191,357 | 7,346,495 |
| Nationale | 838,097 | ........ | 6,557 | 5,500,000 | 5,500,000 | 147,013,849 | 10,000,000 | 5,500,000 | 10 | 178,550 | 872,114 | 1,814,315 | 13,552,489 |
| Imperial | 872,073 | ........ | 829 | 7,500,000 | 7,000,000 | 135,883,888 | 10,000,000 | 7,000,000 | 12 | 74,960 | 963,011 | 4,405,936 | 11,321,675 |
| Weyburn Security | ........ | 22,402 | 18,359 | 250 000 | 524,560 | 6,705,783 | 1,000,000 | 655,700 | 7 | 40,682 | 18,284 | 41,085 | 929,775 |
| Total | 83,137,272 | 2,569,235 | 796,737 | 133,566,700 | 122,764,660 | 3,217,025,734 | 162,175,000 | 122,895,800 | ..... | 16,231,776 | 74,458,406 | 129,411,413 | 198,315,132 |

**Assets**

| NAME OF BANK | Current Gold and Subsidiary Coin | Dominion Notes | Notes of other banks | United States and other foreign currencies | Cheques on other banks | Balances due from banks in Canada | Due from banks in U.K. | Due from banks elsewhere | Government securities | Canadian municipal British and foreign Securities | Railway and other bonds and stocks | Call loans in Canada |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Montreal* | 30,683,977 | 62,283,904 | 4,933,507 | 693,593 | 35,921,079 | 60,583 | 566,836 | 11,939,820 | 77,905,417 | 41,179,983 | 5,733,658 | 35,320,606 |
| Nova Scotia | 8,969,927 | 19,626,471 | 1,275,086 | 1,921,804 | 10,710,589 | ........ | 330,201 | 3,039,630 | 26,952,426 | 11,508,237 | 12,925,631 | 27,457,071 |
| Toronto | 358,856 | 5,593,320 | 711,595 | 102,403 | 7,642,600 | ........ | 71,576 | 2,467,900 | 14,604,279 | 2,725,202 | 6,525,554 | 17,488,487 |
| Provinciale | 176,549 | 270,600 | 537,780 | 75,179 | 2,330,653 | 2,296,164 | 2,038 | 278,579 | 5,887,090 | 2,102,677 | 3,326,230 | 11,222,131 |
| Commerce | 10,209,694 | 12,754,644 | 2,946,730 | 1,323,820 | 21,216,816 | 5 | 439,889 | 17,508,916 | 55,125,100 | 26,865,465 | 10,787,381 | 30,096,820 |
| Royal† | 21,571,548 | 16,331,554 | 4,676,876 | 24,773,423 | 30,790,982 | 8,513 | 1,292,009 | 27,283,830 | 80,213,972 | 35,356,464 | 15,273,653 | 60,023,558 |
| Dominion | 2,167,598 | 9,655,061 | 1,251,590 | 151,313 | 8,046,539 | 1,964 | 532,568 | 2,945,448 | 14,970,048 | 4,313,374 | 2,266,311 | 15,688,105 |
| Standard | 503,547 | 3,686,187 | 626,574 | 52,020 | 5,741,895 | ........ | 61,602 | 551,646 | 10,239,089 | 3,100,304 | 3,703,608 | 15,325,308 |
| Nationale° | 864,958 | 2,315,881 | 1,548,250 | 176,517 | 5,570,145 | 558,350 | 1,069,212 | 1,758,253 | 23,411,691 | 6,182,749 | 2,162,450 | 12,664,786 |
| Imperial | 991,086 | 6,248,200 | 1,065,402 | 163,013 | 7,981,057 | 636,282 | 394,477 | 1,084,813 | 15,731,238 | 6,920,778 | 125,382 | 16,677,825 |
| Weyburn Security | 21,294 | 37,994 | 21,125 | 521 | 44,443 | 2,024,325 | ........ | 200,541 | 794,629 | 188,395 | 275,713 | ........ |
| Total | 76,519,034 | 138,803,816 | 19,594,515 | 29,433,606 | 135,996,798 | 5,586,186 | 4,760,408 | 69,059,376 | 325,834,979 | 140,503,628 | 63,105,571 | 241,964,697 |

| NAME OF BANK | Call loans elsewhere | Other current loans in Canada | Other current loans elsewhere | Loans to provincial governments | Loans to municipalities | Non-current loans | Real estate other than premises | Mortgages on real estate | Bank premises | Letters of Credit | Deposit for note circulation | In central gold reserves ** | Shares of and loans to controlled companies | Other assets | Total assets |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Montreal* | 149,207,163 | 254,141,159 | 55,747,642 | 17,591,790 | 12,378,216 | 2,015,595 | 775,648 | 1,086,529 | 11,550,000 | 13,168,449 | 1,463,197 | 20,500,000 | 2,505,268 | 693,115 | 850,046,744 |
| Nova Scotia | 12,062,648 | 78,500,393 | 22,189,830 | 783,954 | 3,085,626 | 223,009 | 12,473 | 99,350 | 6,836,478 | 6,388,227 | 492,539 | 6,500,000 | ........ | 73,176 | 262,024,787 |
| Toronto | ........ | 59,860,508 | ........ | ........ | 1,825,853 | 100,648 | ........ | 157,516 | 3,323,875 | 2,783,231 | 264,478 | 4,880,866 | ........ | ........ | 131,488,757 |
| Provinciale | ........ | 17,748,581 | ........ | ........ | 1,424,125 | 146,743 | 521,407 | 369,669 | 1,928,768 | 29,296 | 200,400 | ........ | ........ | 186,336 | 51,061,003 |
| Commerce | 43,894,673 | 211,819,016 | 26,297,743 | 1,019,388 | 16,755,620 | 1,688,311 | 2,319,312 | 1,145,145 | 11,582,762 | 14,951,788 | 1,000,000 | 11,500,000 | 1,876,315 | 309,413 | 535,434,777 |
| Royal† | 75,883,260 | 226,179,875 | 158,968,872 | 1,595,209 | 5,396,211 | 2,236,416 | 1,950,885 | 1,392,926 | 13,712,661 | 38,902,015 | 1,300,000 | 15,000,000 | 2,033,497 | 497,501 | 862,645,719 |
| Dominion | 5,886,430 | 58,306,577 | 1,428,765 | ........ | 929,039 | 181,568 | 35,545 | 31,296 | 5,531,630 | 4,740,097 | 314,650 | 1,900,000 | ........ | 207,227 | 141,482,753 |
| Standard | ........ | 51,247,805 | ........ | ........ | 2,183,341 | 400,173 | 333,726 | 146,679 | 3,952,466 | 463,999 | 250,000 | 2,300,000 | ........ | 107,009 | 104,976,985 |
| Nationale° | 1,250,000 | 63,301,467 | 75,220 | 2,707,668 | 5,149,958 | 181,010 | 1,006,041 | 1,103,150 | 5,325,805 | 838,097 | 282,113 | 8,000,000 | ........ | 283,355 | 147,787,136 |
| Imperial | 2,300,000 | 59,566,072 | ........ | 1,496,204 | 5,485,633 | 258,443 | 307,118 | 686,506 | 5,048,921 | 872,073 | 342,712 | 3,264,466 | ........ | 317,367 | 137,965,079 |
| Weyburn Security | 100,000 | 2,060,871 | ........ | ........ | 4,392 | 24,164 | 174,022 | 177,829 | 265,711 | ........ | 28,358 | 200,000 | ........ | 100,230 | 6,744,565 |
| Total | 290,584,174 | 1,082,732,324 | 264,708,071 | 25,194,213 | 54,618,014 | 7,456,080 | 7,436,177 | 6,396,595 | 69,059,077 | 83,137,272 | 5,938,447 | 74,045,332 | 6,415,080 | 2,774,729 | 3,231,658,305 |

**Of this deposit $21,245,333 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return

†The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank of Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return. —Footnote to Royal Bank return

°The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

DEPARTMENT OF FINANCE, OTTAWA, FEBRUARY 2, 1928.

# Current Events in Banking World

## Use of Rubber Stamp for Certifying Cheque Often Deceives Teller

### Method Sometimes Used by Crooks for Obtaining Money

### TRAP FOR UNWARY

### Inexcusable for Bank Officials Being Caught, as Precautions Should be Taken

By A. B. BARKER

Strange what confidence the impression of a rubber stamp on a cheque seems to create. Simply because a cheque bears on its upper left hand corner what purposes to be the certification stamp of some branch bank accompanied by some scrawl representing an undecipherable initial, there are many who will honor the cheque without making the slightest effort to establish either the validity of the cheque or the identity of the one who negotiates it. And yet it is one of the simplest and most effective methods employed by crooks to obtain money from the credulous.

There is no excuse for any bank manager or officers being caught by this device, as the mere fact that a man unknown to him is trying to negotiate a cheque on another office which bears what purported to be a certification stamp should be sufficient to put him on his guard. For one thing it is not usual for parties making remittances to have their cheques certified before sending them out. There may be occasions when this is done but when it is it is because the payer has insisted on it and in this case he will have a bank account and deposit the cheques to his credit in the usual course. He is most unlikely to try to negotiate it at an office where he is unknown.

**Arranging for Funds**

If a man is intending to visit other cities, this is not the usual method of arranging for funds. He will either buy travelers' cheques or if he grudges the moderate fees charged for these conveniences he will carry a supply of currency and depend on being able to negotiate a cheque in one of the places he intends to visit if he finds himself running short.

One trick often pulled off by cheque swindlers is to feign stupidity and by this to catch some teller off his guard. One teller who was stuck by one of these parties for a moderate sized cheque remarked that the fellow looked too stupid to be a crook. The same plan was worked in Toronto about a year ago by a man who wanted to change large notes for other denominations and he was successful in quite a number of cases.

In both classes of transaction it was the desire on the part of the tellers to be of service to the public which proved their undoing. In neither the making of change, nor the cashing of cheques on other banks for any but their own customers, were the banks in any way bound to accommodate the parties. The banks were simply placing their expensive machinery at the service of a stranger without charge. In the case of the cheque on another bank, what the party really asks is that the bank make him a free advance for from one to two days, and in addition to take all the responsibility of guaranteeing to the drawer bank and the drawer of the cheque, the validity of the endorser's signature. In any other line of business, this would be looked on as a piece of nerve. Where the bank can reasonably expect to receive some future benefit from accommodating in this way someone known to them, is of course, justified; but not otherwise, as it is actually out of pocket on the transaction. It is generally supposed that by getting its notes into circulation, the bank makes a profit but this reason for taking chances with strangers is far fetched.

At one time there was a profit on circulation, but now all banks are over their limit, and the chief benefit to them from this source is in the fact that it gives them a cheap till money. At one time, some 25 per cent. of their loanable funds were supplied from the circulation, but now they obtain in this way only some 4½ to five per cent. The old habit of thought, however, remains, and the public, or some of them, still believe that they are conferring a favor on the banks by getting them to cash their cheques.

### Money Telegraphed Cannot be Attached

Where a person sends funds to another through a telegraph company under a contract with the telegraph company that the funds are to be delivered to the person to whom they are sent and to no one else; and that the funds are to be be returned to the sender unless delivered to the person to whom they were sent within a certain time after receipt at the paying office, the title to the said funds does not pass to the person to whom they are sent until delivery, and the sender is entitled to the return of the funds unless delivered to the sendee within the time prescribed. Consequently the funds cannot be attached in the hands of the telegraph company by a creditor of the sendee, as being his property.

## Canadian Banks Plan Reduces to Minimum Grievances of Staff

### Managers' Judgments in Choosing Clerks Not Always Reliable

By G. PAYELL

Many years ago a lad applied to a branch bank manager for a junior clerkship. The applicant was somewhat delicate in appearance, and the manager advised him to seek outdoor employment as he did not consider him suitable for a banking career. He persisted in his efforts to land the job and the manager finally agreed to forward his letter of application to the head office. In due course the lad obtained the clerkship and the manager remained in the service long enough to see his former junior appointed to the position of general manager. All of which serves to illustrate that a single manager's opinion of any man may not prove to be infallible.

Whether or not the boy in question had an idea in the back of his mind that he would some day become general manager is not known, but it would probably not be very wide of the mark to assume that most juniors have at some time in their career harbored secret desires in that direction, although their modesty would prevent them from disclosing the fact. No young man is necessarily egotistical because he believes sufficiently in himself to nurse the hope that he may be destined to accomplish great things; indeed, it is doubtful if many of those who have reached the heights of success have not cherished early visions of colored background regarding themselves but they have not been content to rest there; these men of vision learned before it was too late that hard work transforms dreams into realities; the "laisser faire" kind drop by the wayside.

**Burned Midnight Oil**

Take for example the case of E. W. Beatty, president of the C.P.R. Those who knew him in the old days tell how he burned the midnight oil of success in early manhood. He did not by mere chance succeed to the position he now holds; no man worked harder than he did to attain his objective; when his day's work was completed at the office, he studied unceasingly at night. There was no question of "pull" in his case; brains plus work did the trick.

To many, it may seem more a question of luck than anything else, that enables one to reach big positions but this is hardly the case; one thing is certain, luck, who works hand in hand with opportunity, shows the cold shoulder to the man whom he considers unfit for association with his trusty friend, opportunity. In other words, unless a young man starts out with a definite purpose to attain success and works to qualify himself for high positions, it is extremely unlikely that he will turn out to be more than a cog in the wheel; indeed, it is possible he may eventually find himself to be but the rust on the cog of the wheel. Luck visits only the fit and usually chooses the best candidate for high office, which bears out the argument that luck operating alone is impotent.

**Age and Limitations**

Ambition tends to cool in most of us as we get older; we think we see our limitations, and after a certain stage is reached luck no longer bothers even to glance in our direction; this fact increases the chances of those who refuse to give up the struggle for the higher positions, and in the end the choice narrows itself down to a few men, and the one who has made the most of opportunity invariably reaches the highest goal.

The ideas lying in the back of the mind of the man who says "What's the use?" have probably eliminated not a few of otherwise able men from ultimate participation in the race for the higher positions; they have not considered the struggle worth while.

There are others in every bank who are classed as "grouchers," and the term fits in most cases, although there are some who have well founded grievances in whom the spirit of bitterness has been implanted; the latter are in the minority, and it may be interesting to trace one probable source of their troubles. It may have been one's misfortune to have worked in the same office for many years, and the reports of his manager may have been uniformly unsatisfactory. The importance of eliminating all just causes for grievance has long been recognized by the banks and here is where the machinery of the Canadian banking system works well when put into operation; moves from one branch to another help in such cases.

**Square Deal**

Transfers enable bank employees to receive a square deal, and if, as not infrequently happens, when the head office receives an adverse report on a clerk from a branch, they have that man transferred forthwith to another office, the chances of real grounds for grievance are reduced to a minimum. It is, however, important that he should go to fresh fields with a clean sheet, otherwise the second manager's report may not be wholly free from prejudice; in other words, the old adage of giving a dog a bad name, etc., may operate.

This article is in no way intended to be a brief for the man with a chip on his shoulder, but its purport is to point out that it is unfair to have one man's opinion of another considered as final and to illustrate that most men fail to succeed, not because of lack of brains, but on account of depending too much upon choice, instead of hard work in attaining their objectives.

The Transvaal gold output in December was 861,225 fine ounces, second largest in any one month, which raises the 1927 output to 10,130,630 ounces, valued at £43,548,092, as compared with the previous record output of 9,962,852 ounces produced in 1926.


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Between Montreal Three Rivers Quebec

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## PUBLIC ADVISED TO INVESTIGATE ALL PROPOSALS

### Close Scrutiny of Financial Offerings Urged to Check Frauds

Times change and so do the methods of swindling. The old-fashioned confidence man has been superseded by the up-to-date swindler. Traffic is no longer in gold bricks but in questionable "securities." As the theory of simply hoarding one's savings is being discarded by the thrifty, so are the swindlers ceasing to look wholly to the credulous with a wallet of cash and are soliciting the holders of good stocks and bonds.

It is well to remember:

First, if you keep your stock certificates or your bonds in a secure place, such as a safe deposit box, they are far less likely to be lost or stolen.

Second, before you sign your name on your stock certificate or on your bond, or execute any power-of-attorney in connection therewith, be sure that you know what you are doing and why. Once you affix your signature, or execute power-of-attorney, such act makes the instrument salable by whoever has it in his possession.

**Plausibility of Swindles**

Obvious fraud is rarely dangerous. It is the plausibility of a swindle that enables it to succeed. To get your money, the swindler must first get your confidence.

Back of the dishonest salesman is usually found a crooked brokerage organization, sometimes known as a "bucketshop" featuring good address, impressive offices, trained salespeople, unlimited telephone and telegraph facilities and attractive selling "literature."

The swindler specializes in three major activities. Most frequently he offers the "securities" of an existing corporation the assets of prospects of which, however fantastic, form a tangible basis on which to erect promises of big profits such as: impoverished factories, sterile oil leases, barren mining claims, secret formulae or processes, questionable patents, or doubtful franchises.

**Real Estate Frauds**

The swindler, as a real estate operator, is an expert in booms in which some people have profited. He specializes in developments at fictitious prices. He accepts worthless "securities" (plus cash) for worse land and is equally alert to sell boom-blighted land for bad "securities" (plus cash).

Among the less tangible devices calculated to appeal both to thrift and the desire to get something for nothing are unsound investment trusts, irresponsibly managed and promising excessive interest; unsound mortgage loan organizations; schemes to reload the stockholders of projects that are failing, and the promotion of mergers of corporations that have failed.

The swindle salesman is an expert in generalities. He is an astute student of human nature. He is impartial in his choice of victims. The well-to-do individual, if unprotected by the facts, falls prey to the promoter as easily as does the wage-earner.

**"Big Profits"**

The swindle salesman varies his arguments to suit his prospect, but soon or late, the assurance of "big profits" will emerge from the seeming confusion of words. This assurance, skilfully played upon, dazzles the individual, confuses his reason, weakens his resistance and leads him to eventual disaster.

According to the swindler, the opportunities he presents will not wait. The prospect must act now or never. Big names, like "big money," are the swindler's magic. He uses the names of prominent people with impudent daring. He vividly compares his own doubtful promotion with legitimate business successes. He cleverly tells of the neighbor who acted on his advice and made some "easy money." He dilates upon the "prestige" of the "bucketshop" he represents. He "sells" himself. To the doubtful prospect he presents alleged expert reports. He marshals impressive figures, unembarrassed by the fact that they do not apply to the scheme he is boosting. To bolster confidence he hints at an early listing on a recognized stock exchange, and having gone thus far into fiction brazenly assures his victim of a forthcoming rise in price and a ready market.

**Prejudice and Investment**

The swindler knows that some individuals are influenced by prejudice. "Put something over the big fellows," he suggests; and while condemning the "big fellows" he tempts the victim to try the very methods he attacks. "Take a chance; you may win," he says. And the individual thus betrayed launches into blind and hopeless speculation, in which he takes the chance and the swindler takes the profit.

Many a hard-earned dollar is lost in a fraudulent enterprise just because the salesman cunningly holds forth the expectation of a good job for the investor. So diverse are the schemes of this sort, and so subtle is their appeal, that frequently the indivdual, prompted by a feeling that in secrecy lies his protection, does not ask for the facts until it is too late.

If you are solicited in any project always remember: "Before you Invest—Investigate."

## LONDON LOAN SHOWS INCREASED EARNINGS

Annual report of London Loan for 1927 shows earnings of $60,591, after reserve for taxes, compared with $53,655, after tax reserve, in the previous year.

Changes in the balance sheet include an increase in the principal of mortgages from $1,702,539 to $1,802,641, and a reduction in the amount of real estate held for sale from $434,748 to $293,537. Among the assets is noted an increase in the stocks of loan and trust companies, from $590,711 to $646,657. Savings bank deposits have grown from $606,481 to $660,163.

The capital stock totals $892,536 and the reserve is shown at $450,000, which is an increase of $10,000 in the current year.

It is announced to shareholders that M. J. Kent, who had been manager of the company from June 1, 1877, had been obliged to retire because of poor health.

The Royal Bank of Canada

THE MODERN ALADDIN

IT has been said that the chemical engineer who first made sulphuric acid achieved a discovery of more importance to the human race than the discovery of the continent of America by Columbus. For, if the art of making it were lost today, we should be without steel, and the foundation of our industrial structure would disappear.

The world's debt to the chemical engineer is continually mounting. It is he who brought to mankind comforts and conveniences that a century ago were only wishes; it is he who is almost daily finding new substances, new uses for them and new ways of using present materials.

Canadian Industries Limited not only maintains its own staff of chemical engineers, but also has the advantage of an interchange of technical information with two of the most forward-looking of the world's great industrial enterprises—Imperial Chemical Industries Limited, of Great Britain, and E. I. DuPont de Nemours & Company of the United States.

Originally all three companies produced explosives only, and in seeking to improve them, their chemical engineers developed a series of products seemingly unrelated, but actually cousins in the same family because the basic materials are similar.

Thus came Pyralin used in the manufacture of toilet-ware, combs, collars, etc.; thus came Fabrikoid, so largely used in the upholstering of automobiles and furniture, in binding books, in making luggage and many other things; thus came Duco and a complete line of New Process Paints and Varnishes for the decoration and preservation of the country's homes, cars, furniture, etc.

The Canadian Industries Limited trade-mark on all of these products, so varied in their use, is a guarantee of excellence—a guarantee of the best Canadian workmanship, based on the world's latest chemical engineering knowledge.

*This is Number Two of a series of advertisements published that the public may have a clearer understanding of Canadian Industries Limited and its Subsidiary Companies.*

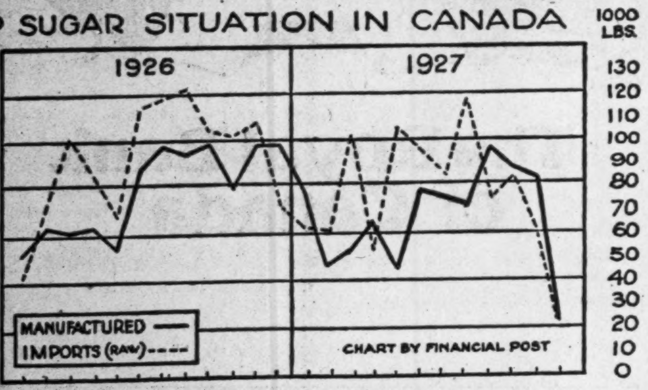
# Uncertainty Exists in Sugar Industry Over Cuba's Act

## Cuban Government Has Inaugurated New System for Controlling Production

From Our Own Correspondent

MONTREAL.—A state of uncertainty exists in the Canadian sugar industry.

Instead of selling 600,000 tons of raw sugar to the world, Cuba has sold only about 360,000 tons of raw sugar or sixty per cent. of the amount which they had for sale. None of this was bought by Canadian producers but was bought for European and other users at prices about 5 points above the bid prices originally made by prospective purchasers. These prices range from $2.38 to




$2.40 as per hundred weight f.o.b. Cuba, to which he said must be added about twelve shillings in order to convert it into prices laid down overseas.

### Cuba's Action

That this action of Cuba has a very important effect on Canadian refiners may be seen from the fact that in former years when Cuban production was uncontrolled, the Canadian refiners were able much earlier in the year to formulate plans for the year and to arrange their annual exportation of sugar which means so much to many of the Canadian firms. Domestic business is the chief end of the business, of course, but as Canada at most consumes only 400,000 tons of sugar in an ordinary year, the majority of Canadian refiners look to the export markets in order that their plants may be kept in operation throughout the greater part of the year. The setback caused by the action of the Cuban government this week may materially affect Canadian refineries which participated actively in the export trade during 1927.

This is the first year that Cuba has taken into its own hands the governmental control of the sugar industry. In previous years, production in the country ran as high as 6,000,000 tons per year, with the result that as Europe restored its annual production of sugar, the producers in Cuba found themselves hampered by having to sell a large crop in competition with the European products at low prices. To overcome this situation the Cuban government stepped into the breach this year and created a system of control for the entire industry.

### Largest Customer

For this year, Cuba has decreed that the total production of the country shall not exceed 4,000,000 tons. Of this, 3,050,000 tons will be sold to the United States, which is Cuba's largest customer. Another 150,000 tons will be retained for domestic consumption and refining, and the remainder (or 600,000 tons) has been offered to the rest of the world through the medium of bids which were to be submitted to the Control Commission on or before Saturday, January 21.

After two days of deliberation, the government has announced the result outlined in the foregoing with the result that conditions are more unsettled than ever before in the industry. All bids have been rejected by the Cuban authorities, and only 150,000 tons of raw sugar are to be sold at the present time at prices substantially higher than those received through the medium of tenders.

In discussing this situation with The Financial Post, Canadian sugar refiners appear to be generally disgusted with the whole situation. They claim that the system as brought into effect by the Cuban government, can never be successful and that it is bound to have a disturbing effect upon the industry as a whole.

Take for instance the Atlantic Sugar Refineries, with a plant with a total capacity of probably 150,000 tons per year. By this time of year this company has usually formulated its plans for the season and has been able to arrange for the buying and selling of its yearly production. As the situation now stands, the company is no nearer a solution of the problem than it was a few months ago and in common with the other Canadian refiners, the company does not welcome the upsetting influence of Cuba's control.

### Important Factor

For instance, in this company, export business is a very important factor and in the years 1925 and 1926, this end of the business enabled the plant at Saint John to operate throughout the entire year. Perhaps this was rather an exceptional situation but nevertheless it demonstrates the important part which export business plays in a company of this size.

Without the export business, Atlantic Sugar would probably operate for only six months in the year, and indeed even in a year such as 1927, with a fair amount of export business, there was not sufficient to keep the plant in operation throughout the entire year.

This decrease of exports in 1927 was not, of course, confined to Atlantic Sugar, as reference to the Canadian sugar statistics issued by the Dominion Bureau of Statistics shows that for the twelve months ending December, 1927, Canadian sugar exports amounted to only 97,870 tons as against an export in 1926 of some 142,600 tons.

The European producers, particularly of beet sugar, are rapidly returning to their old position as producers of sugar and in addition, many new fields are being developed which is perhaps as much as anything responsible for the present situation in Cuba. This being the case, it is obvious that if Canadian producers are not able soon to formulate their plans for the coming year, they will find themselves greatly hampered in procuring even a small share of the export business of the world.

## Time Limit for Depositing German Loans is Extended

An announcement has been made by the special commissioner for German Government loans in New York to the holders of mark loans of German states, cities, municipal and similar associations that the time limit for depositing such bonds, which was originally set for January 14, 1928, has been extended until February 29, 1928.

Application of parts of the loan liquidation debt must be filed before that date through any bank in Germany or at the National City Bank of New York, where blanks and other papers may be obtained.

## Mickelson Battery Company Makes Security Offering

Mickelson Battery Mfg. Co., of Winnipeg, are offering to the public, through their own organization, 2,500, 8 per cent. preferred shares at $10 per share, payable in three instalments.

This company started operations in March, 1927, with orders for 50 batteries. Nearly double that number was sold in the first half of the year. For the full year over 1,800 batteries were sold. Orders on hand for early delivery in 1928 amount to nearly 6,000 batteries.

This rapid expansion has made it expedient to provide funds for installation of equipment and quantity buying which will enable the company to profitably handle the increased volume of business.

A saving to the public of $17,000,000 during the past five years has been made through the use of alternative fuels instead of anthracite coal.

**Calgary, Alberta**
**Stock, Bond and Grain Brokers**
**Industrial Financing**
**Carlile & Farr Ltd.**
*Private wire to all markets.*
Correspondents of
Osler & Hammond

# NEW BRUNSWICK REPORTS SURPLUS FOR FISCAL YEAR

## Province Has Paid Off $79,000 of its Debt

A surplus of $15,792 on its ordinary revenue account for the fiscal year ended October 31 last, is reported by the comptroller-general of New Brunswick.

In addition to having a surplus on ordinary revenue account, after deficits during the past 10 years which ran up to over half a million dollars on several occasions, New Brunswick during the past fiscal year paid off $79,500 of its debt when debentures to that amount fell due, and set aside $541,331 for the sinking funds which now have a total of $3,094,783.

Total revenue for the past fiscal year was $4,933,029, which is approximately $550,000 more than the previous year and the largest revenue on record. The largest item in the revenue account is $1,266,765 from Dominion subsidies, which amount includes the $600,000 extra as a result of the recommendations of the Duncan Commission. The next largest item of revenue was $1,172,592 from territorial revenue, which is $170,000 over the receipts from this source in 1926. From motor vehicle licenses the amount received was $616,271, an increase of $60,000 over the previous year, while from the gasoline tax $216,574 was received, an increase of $72,000 over the previous year.

Total expenditures on ordinary revenue account during the past fiscal year amounted to $4,917,237.08. The largest expenditure for the public service was $1,022,585 for public works. This amount is $153,000 more than the previous year, the additional expenditure being incurred largely because of storm damage to ordinary roads and bridges. For agriculture the amount expended was $151,757, an increase of $27,000 over the previous year. On education there was expended $595,946, an increase of $39,000 over the previous year. The expenditures of the Department of Lands and Mines amounted to $250,185, an increase of $46,000 over the previous year, while the expenditures of the Public Health Department, including grants to public hospitals, amounted to $118,482, an increase of $15,000 over the previous year. The amount paid out in interest charges, other than hydro and auto fund bonds was $1,396,721.

The consolidated balance sheet published in connection with the financial statement shows the net debt of New Brunswick at the close of the last fiscal year on October 31st, 1927, to have been $35,208,662, as compared with $33,736,939 at the close of the previous fiscal year, an increase during the year of $1,471,723.

## Metropolitan Life Announces Changes

The following recent field changes are announced by the Canadian head office of the Metropolitan Life: W. H. Francis, manager at the Saskatoon district, is appointed manager in the Riverdale district; J. S. Judge, general assistant at the Canadian territory, is appointed manager at the Oshawa district; F. X. Desrochers, agent at McGill, Quebec district, is appointed assistant at the Ottawa district; H. P. Gendron, agent at Joliette, Quebec, is appointed assistant manager at the Joliette district; A. Robitaille, agent at the Laurier (Quebec) district, is appointed assistant manager at the Laurier district; M. A. Lepage, agent at the Chicoutimi (Quebec) district, is appointed assistant manager at the Levis (Quebec) district; H. Allard, agent at the Maisonneuve (Montreal) district, is appointed assistant manager at Maisonneuve; J. H. Onslow, agent at the Maisonneuve district, is appointed assistant manager at the Maisoneuve district; E. W. Willard, supervisor agency accounting, Canadian territory, is transferred to New England territory.

Provincial revenues from Quebec's water powers totalled $802,010 for the year ending June 30, 1927.

**"EXECUTORSHIP"**
**is a highly specialized business**

IT calls for a knowledge of the principles of sound investment; of the laws relating to Trustees in the ownership, management and transfer of property; for a special accounting system. This Corporation is authorized by Law to act as Executor and Trustee under Wills and Trust Deeds.

The total amount of Assets now under its Administration exceeds $169,000,000.

Let its experience and strong organization administer and protect your Estate.

*Write for Booklet "Your Will," sent free on request.*

**The TORONTO GENERAL TRUSTS CORPORATION**
*"Canada's Oldest Trust Company"—Established 1882*
Toronto - Montreal - Ottawa - Winnipeg - Saskatoon - Vancouver
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**Waterous-and Saw Mill Machinery**

*We make Boilers of all types and sizes. Also Hand Stokers, Pulp and Saw Mill Machinery, Road Rollers and Scarifiers, Steel Tanks, Engines and Pumps.*

TO-DAY lumbermen rely on Waterous for dependable Saw Mill equipment, just as did the pioneers who cleared Old Ontario of her forests.

The fact that Waterous started at the beginning and advanced pace by pace with Canada's lumber industry has fitted them with experience essential to serving the industry.

Specialized knowledge, backed up by the highest of manufacturing standards, makes the name Waterous stand to-day as it did eighty years ago for the best obtainable in Saw Mill equipment.

25

**Waterous Limited**
**BRANTFORD, ONTARIO, CANADA.**



# Annual Report—1926-27
# The Provincial Bank of Canada

**Capital Authorized ............... $5,000,000.00**
**Capital Paid Up and Surplus $5,810,000.00**
**(As at November the 30th, 1927)**

### BOARD OF DIRECTORS

President: Hon. Sir Hormisdas LAPORTE, P.C., President "Laporte-Martin Limitee"; President "Societe d'Adminstration Generale"; Vice-President "Credit Foncier Franco-Canadien."

1st Vice-President: Mr. Tancrede BIENVENU, Director "Lake of the Woods Milling Co."; Director "Credit Foncier Franco-Canadien"; Local Trustee "Guardian Assurance Co., Limited."

2nd Vice-President: Mr. S. J. B. ROLLAND, President "Rolland Paper Co., Ltd."

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Mr. Emilien DAOUST, President "Librarie Beauchemin Limitee"; Montreal Harbour Commissioner; President "Ecole des Hautes Etudes Commerciales de Montreal."

Mr. Alphonse RACINE, President "Alphonse Racine, Ltd."

Mr. H. GERIN-LAJOIE K.C., Legal firm, Kavanagh, Lajoie & Lacoste.

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President: Hon. N. PERODEAU, Lieutenant-Governor for the Province of Quebec.

Vice-President: Hon. E. L. PATENAUDE, P.C., Director "L'Alliance Nationale"; Administrator "Universite de Montreal."

Mr. Samuel CASAVANT, Vice-President Casavant Freres Ltee., St. Hyacinthe.

Hon. Cyrille F. DELAGE, N.P., Superintendent of Public Instruction Department for the Province of Quebec—Quebec.

Mr. J. L. FORTIN, Merchant, Three Rivers Harbor Commissioner—Three Rivers.

Mr. Joseph B. de BOUCHERVILLE, K.C., Montreal

### HEAD OFFICE

Chas. A. ROY, General Manager.
L. F. PHILIE, Assistant General Manager.
J. A. TURCOT, Superintendent of Branches.
J. E. ST. ANDRE, Chief Inspector.

### SHAREHOLDERS' AUDITORS

J. A. LARUE, C.A., Quebec and Montreal,
H. E. MIDGLEY, C.A., Montreal.

### REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS OF THE PROVINCIAL BANK OF CANADA

Gentlemen:

We beg to submit for your approval the General Statement and the Profit and Loss Account for the year ended 30th November last.

These figures indicate that the year's business has given excellent results, and we believe that you will be quite satisfied with them.

The year 1927 was marked by a continuance of the period of prosperity which began in 1925, the principal factor of which were the favorable harvests of the last three years. The situation has been the more satisfactory in 1927, inasmuch as the profits of the first harvests were largely absorbed during 1925 and 1926 in meeting obligations contracted or left in suspense during the years of depression; while on the contrary in the course of last year, these profits contributed rather to increase buying power, or were utilized to promote new enterprises.

There exists in consequence a real spirit of optimism, and it is to be hoped that the continued effort to increase immigration, well selected and appropriate to our needs, will be successful and be a new factor in the development of our natural resources.

There having been an abundance of money in the market, those of our large industries and business houses, whose development required new capital, have been able to obtain it in this country on advantageous terms, without being obliged to apply to foreign markets. On the other hand, as always happens during such periods, some investments were offered on the market following clever advertising to induce their being taken up by those who had money to invest, and to whom it seems proper to address a warning, suggesting the importance of making a wise selection so as to avoid securities of questionable value, and a warning as well against mere speculation which for some time past seems to be assuming dangerous proportions.

Statistics published by the Government indicate that there has been an increase in building, that our industries have assumed a larger capacity, our public utility companies and mines have developed in an extraordinary manner, necessitating very considerable disbursements, and that practically unemployment did not exist. It should be mentioned, however, that the lumber trade for building purposes, which formerly was very important, is recovering very slowly in the Provinces of Quebec and New Brunswick from the period of considerable depression which it suffered some years ago.

The introduction of new methods in retail business continues in a more marked degree than in the past, on account of the great numbers of departmental and chain stores, and it is already evident that the retailer doing business for himself understands the importance of carrying a small stock, of renewing it frequently, and also of restricting his credit sales, equipping his premises in a more up-to-date manner, and giving a better service to his customers.

By a circular letter of the 8th April last, you were informed that Mr. Tancrede Bienvenu, who, since the foundation of the Bank, occupied the position of General Manager, had requested the Board of Directors to relieve him of his duties in consequence of the state of his health, and in order that he may enjoy a well-earned rest after his many years of constant work. In recognition of his highly appreciated and signal services to the Bank, your Board of Directors insisted that Mr. Bienvenu should accept promotion to the office of First Vice-President, so that the Bank might continue as long as possible, to take advantage of his great experience and good advices. We feel certain that we properly interpret your desire in expressing the wish that Mr. Bienvenu will derive great benefit from his voyage overseas, and that he will return to us greatly improved in health.

At Mr. Bienvenu's suggestion, your Board of Directors named Mr. Charles A. Roy to replace him. During many years, Mr. Roy had been his First Assistant, and it will soon be twenty-five years since he entered the Bank's service. Our new General Manager is in this way quite familiar with the business of the Bank, and we are sure that its progress, uninterrupted from the beginning, will continue under his direction.

With a view to obtaining new and advantageous connections, during the last year, Mr. Bienvenu placed his seat on the Board of Censors at the disposal of the Board of Directors, and we offered it to Mr. Joseph B. de Boucherville, K.C., of Montreal, who is well and favorably known throughout the Province. We are sure you will approve of this choice on account of the competence and influence of our new Commissioner.

The report of these gentlemen will be submitted to you at the present meeting. We are happy to testify that they have given great care and attention to the monthly work committed to them, and, on your behalf, we beg to express to them your sincere thanks.

I will now ask the General Manager to address you as to the result of last year's business, and to offer you his comments upon the General Statement.

FOR THE BOARD OF DIRECTORS,
(Signed) H. LAPORTE,
President.

### GENERAL MANAGER'S REMARKS

During the fiscal year ended on the 30th of November, 1927 last, your Bank has continued to report satisfactory increases in its development, and has certainly benefited by its goodly share of the prosperity enjoyed by the four Provinces where we have offices in operation.

Four branches and six sub-agencies have been opened; two of these branches being located in the City of Montreal, corner Bernard and Waverley Streets, and corner Rouen and Frontenac Streets; one in Quebec City, in Limoilou Ward, and one in Windsor, Ontario, on Wyandotte Street West. One branch has been closed, that of West St. John, N.B. We now have 133 branches and 191 sub-branches in operation.

The paid-up capital of the Bank stands at the same figure, $4,000,000, and our shareholders now number at 3,361.

Our Profit and Loss Account shows net profits of $508,608.45, being an increase of $54,458.08 on the preceding year. As usual, these profits have been computed after making full provision for all doubtful debts.

Out of these profits the ordinary dividend of 9%, in all $360,000.00, has been paid to the shareholders; $63.600 have been provided for Dominion Government taxes and provision for Income Tax, and $51,033.79 have been applied for reduction on our real estate and Bank premises accounts, and also for complete amortization of the maintenance of new branches. The balance carried forward at the Credit of Profit and Loss Account now stands at $310,410.49, including the amount brought forward from the preceding year.

The large number of new deposit accounts opened during the year is an evident proof of the growing confidence enjoyed by the Bank amongst the public; our total deposits are of $40,739,000, or nearly $3,000,000 in excess of the figures of a year ago.

For the first time since its foundation the total Assets of the Bank are in excess of $50,000,000, or exactly $50,716,541.18. In conformity with the policy always favored by your Directors, our liquid assets have been maintained at all times at a high percentage of our total obligations to the public. As of the date of our Annual Report these assets stood at $28,498,813.00, or 64% of our total deposits and other obligations to the public.

As a fact, our balance sheet shows over $7,500,000 of cash on hand or Bank balances; nearly $5,500,000 of Dominion or Provincial Government securities; more than $5,400,000 of municipal, railway and other bonds or securities, and $10,000,000 of Call Loans on stocks listed on the Montreal and Toronto Stock Exchanges.

Our Commercial Department has also increased very satisfactorily. Our Commercial Loans to traders and manufacturers are of $17,400,000 against $15,400,000 last year; thereby indicating that your Bank is doing its share to help the development of trade and commerce, and also to assist financially the agricultural community.

In all Departments the conservative and prudent policy of the past has been maintained whilst no efforts were spared to give to our ever-growing clientele satisfactory services in accordance with their needs. The Main Office and all our branches and sub-agencies have been duly inspected during the year.

It is also an agreeable duty for me to testify to the efficient and devoted co-operation of the entire Staff, whose efforts have largely contributed to the satisfactory results already mentioned. It, therefore, affords me great pleasure in announcing that the Board, according to the authorization already given, will shortly inaugurate a system of group life insurance which we expect will prove great benefit to every member of the Staff, but more particularly to our younger clerks on moderate salaries.

### Report of the Board of Censors for the Fiscal Year 1926-1927

Gentlemen:

We have the honor to submit the following report, as to the carrying out of the mandate you were pleased to entrust us with, at the last general meeting.

As required by your regulations, we have every month examined the investments and other securities beld by the Bank, such as Dominion, Provincial, Government, Municipal or School Board Bonds and other stocks and bonds, and have verified that these, added to the cash on hand and in Bank, were in quantity more than sufficient to satisfy the requirements of your by-laws. We have also obtained the information and explanations that we have required and examined all necessary vouchers.

We are pleased to notice that the period under review has been marked by the satisfactory progress and developments of your Bank, due not only to favoring circumstances enjoyed by the country generally, but also to the ever-increasing confidence enjoyed by your Bank in the community.

We, therefore, Gentlemen, beg to advise you to approve as submitted, the accounts of the Fiscal Year 1926-27, the results of which bear witness to the diligent care and attention given to the business of your Bank by the Members of the Board of Directors.

FOR THE BOARD OF CENSORS,
(Signed) N. PERODEAU,
President.

### THE PROVINCIAL BANK OF CANADA
**PROFIT AND LOSS ACCOUNT**
**as on November 30th, 1927**

**CREDIT**

| | | |
|---|---|---|
| Balance at credit of Profit and Loss account, November 30th 1926 | | $ 276,[illegible] |
| Profits for the fiscal year ended November 30th, 1927, after deducting charges of management, interest due to depositors, rebate on current discounts ($83,462.58) and provision for losses and doubtful debts | | 508,[illegible] |
| | | $ 785,[illegible] |

**DEBIT**

| | | |
|---|---|---|
| Appropriated as follows:— | | |
| Quarterly dividend at the rate of 9% per annum on paid-up capital, as follows:— | | |
| Paid March 1, 1927 | $90,000 | |
| Paid June 1, 1927 | 90,000 | |
| Paid September 1, 1927 | 90,000 | |
| Payable December 1, 1927 | 90,000 | |
| | | $ 360,000.00 |
| Dominion Government taxes on Bank note circulation and provision for income tax | | 63,600.00 |
| Amortization in full of the cost of installation and maintenance of new branches and written off "Bank Premises," "Other Real Estate" and "Furniture and Fixtures" Accounts | | 51,033.79 |
| | | 474,6[illegible] |
| Balance of Profit and Loss carried forward | | 310,410.49 |
| | | $ 785,[illegible] |

| | |
|---|---|
| RESERVE FUND:— | |
| Balance at credit, November 30th, 1927 | $ 1,500,[illegible] |

### General Statement of the Bank on November the 30th, 1927

**LIABILITIES**

| | |
|---|---|
| Deposits not bearing interest | $ 6,273,724.94 |
| Deposits bearing interest including interest accrued to date of statement | 34,010,903.60 |
| Balance due to Dominion Government | 103,004.78 |
| Balances due to Provincial Governments | 805,963.42 |
| Balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries | 17,903.92 |
| Acceptances under Letters of Credit | 27,570.00 |
| | $40,739,[illegible] |
| Notes of the Bank in circulation | 4,016,[illegible] |
| Unclaimed dividends | [illegible] |
| Quarterly dividend, payable December the 1st, 1927 | 90,000.00 |
| Total Obligations to the Public | $44,852,[illegible] |
| Capital Stock paid in | 4,000,000.00 |
| Reserve Fund | 1,500,000.00 |
| Balance of Profit and Loss carried forward | 310,410.49 |
| | $50,662,777.[illegible] |
| Liabilities not included in the foregoing | 53,763.[illegible] |
| | $50,716,541.18 |

**ASSETS**

| | | |
|---|---|---|
| Gold and silver coin current | | 199,318.02 |
| Dominion Government Notes | | 1,907,451.25 |
| Notes of other Banks | | 522,180.00 |
| United States and other foreign currencies | | 97,535.00 |
| Cheques on other Banks | | 2,455,789.56 |
| Balances due by other Banks in Canada | | 1,535,017.53 |
| Balances due by Banks and Banking Correspondents elsewhere than in Canada | | 798,963.63 |
| | | $ 7,516,254.99 |
| Dominion and Provincial Government Securities not exceeding market value | | 5,469,441.44 |
| Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian not exceeding market value | | 2,119,405.66 |
| Railway and other Bonds, Debentures and Stocks, not exceeding market value | | 3,346,589.28 |
| Call and Short (not exceeding 30 days) loans in Canada on Bonds, Debentures and Stocks and other Securities of a sufficient marketable value to cover | | 10,047,122.14 |
| Grand total | | $28,498,813.51 |
| Loans to Cities, Towns, Municipalities and School Districts | $ 1,493,332.39 | |
| Other current loans and discounts in Canada, after making full provision for all bad and doubtful debts | 17,405,261.10 | |
| | $18,898,593.49 | |
| Less rebate of interest on both items | 83,462.58 | |
| | | $18,815,130.91 |
| Liabilities of customers under Letter of Credit as per contra | | 27,570.00 |
| Deposits with the Dominion Government to secure Bank note circulation | | 200,400.00 |
| Non current loans, estimated loss provided for | | 162,088.86 |
| Real Estate other than Bank premises | | 520,967.26 |
| Bank premises including furniture and fixtures, at not more than cost, less amounts written off | | 1,928,149.38 |
| Mortgages on Real Estate sold by the Bank | | 382,865.77 |
| Other Assets not included in the foregoing | | 180,555.49 |
| | | $50,716,541.18 |

Compared with the books and found correct:
(Signed) J. R. CHOQUET, Chief Accountant.

For the Board of Directors:
(Signed) H. Laporte, President.
(Signed) Chs. A. Roy, General Manager.

### SHAREHOLDERS' AUDITORS' CERTIFICATE

To the Shareholders of
THE PROVINCIAL BANK OF CANADA:

We have compared the above statement with the books and accounts of THE PROVINCIAL BANK OF CANADA and with the certified Branch Returns. We have verified the investments and securities at the Head Office. We have obtained all the information and explanations that we have required.

In our opinion, the transactions of the Bank which have come under our notice have been within the powers of the Bank, and the above statement discloses the true condition of the Bank, after making provision for losses and doubtful accounts, and is as shown by the books of the Bank.

(Signed) J. A. LARUE, C.A., of Larue & Trudel, Quebec and Montreal.
(Signed) H. E. MIDGLEY, C.A., of Midgley, Davenport & Company, Montreal.

Montreal, December 21st, 1927.

The members of the Board of Directors and of the Board of Commissioners-Censors were all unanimously re-elected.

At a subsequent meeting of the Board of Directors the following were elected:

Hon. Sir Hormisdas Laporte, P.C., President; Mr. Tancrede Bienvenu, First Vice-President, and Mr. S. J. B. Rolland, Second Vice-President.

# GREAT EXPANSION

## in operations of

# CANADA PERMANENT MORTGAGE CORPORATION

**1927 an Outstanding Year — Total Assets Increase by More Than $13,000,000.00 and Now Amount to**

## $63,661,691.80

**Acquires Two Other Loan Companies and Adds to Chain of Branch Offices.**

**Growth Necessitates Erection of New Office Building in Toronto.**

## Net profits exceeds $1,000,000.00 for the first time in Corporation's history

**The Annual General Meeting of Shareholders was held Thursday, February 2nd, at the Head Office, Toronto.**

**The Meeting was well attended and was addressed by the President, Mr. W. G. Gooderham, the Vice-President, Mr. E. R. C. Clarkson, and the General Manager, Mr. George H. Smith.**

### PRESIDENT'S ADDRESS

It is with more than ordinary gratification that your Directors present the Statement which has just been read, the best in the seventy-three years existence of the "Canada Permanent."

Not only are the net profits about $42,000 in excess of the largest amount in any previous year, but a feature of more importance and affording much greater satisfaction is the large addition which has been made to the volume of Assets. These have increased during 1927 by upwards of twenty-five per cent., or by more than thirteen million dollars. You will bear in mind that this is exclusive of the Assets of The Canada Landed and National Investment Company, which were not brought into our accounts till 1928.

To the large expansion which took place, The Royal Loan and Savings Company and The British Columbia Permanent Loan Company, which were acquired during the year, contributed somewhat less than five and a half million dollars. The development of the Corporation's business along the usual lines, apart from any absorptions, therefore, accounted for more than seven and a half million dollars of the year's extraordinary increase.

While I shall leave the more detailed discussion of the Statement to the General Manager, this may be the proper place to direct your attention to the increase of $9,400,000 in the amount invested in our Currency Debentures and of $3,750,000 in our Deposits. The aggregate of these two items of Canadian funds is now $34,296,471. As an indication of the rapid growth of these Canadian funds you will be interested to know that at the end of 1920 they were $10,683,248. The increase during the seven year period has, therefore, been more than 220 per cent.

We regret a further small decrease in the amount of our British funds. Great Britain continues to be a dear market for money. Sales of Canadian bonds in 1927 are reported to have been $609,037,874. Of this large aggregate Great Britain took $10,698,667 and the remainder was sold in about equal amounts in Canada and the United States. Under existing conditions the fact that we have renewed such a large proportion of our maturing Sterling debentures, and that we continue to hold upwards of fourteen million dollars of British funds, is a tribute to the esteem in which the "Canada Permanent" is held in the Old Land, as well as to the zeal and influence of the two firms of Agents who have so ably represented us for many years and of our resident Director, Mr. A. B. Campbell. In this connection, we desire to give expression to the profound regret with which we learned of the death in the latter part of the year of Mr. James Mylne, the senior member of the firm of Messrs. Mylne & Campbell, W.S., who have been the Agents of the "Canada Permanent" from the time it began to place its debentures in Scotland, about fifty-three years ago. Mr. Mylne, who was in his eighty-second year, was a most genial gentleman, esteemed and beloved by a large circle of friends by whom he will be greatly missed.

While fortunately the development and expansion of the Corporation's business have not been affected by the failure to draw more funds from Great Britain, it would be gratifying not only if more of our debentures were taken in the Old Land but even more particularly if a much larger volume of British money could again find its way to Canada for investment in the many classes of excellent securities that are available. The very large and rapidly increasing amount of United States investments in Canada, aggregating between three and four thousand million dollars, is materially assisting in the development of our great natural resources, in the expansion of our commerce and industry and even providing a portion of the funds necessary for governmental and municipal administration; and, of course, it is welcome. Yet, we cannot but feel strongly that it would be to the mutual interest of Canada and Great Britain if investors in the Motherland were sharing in some of the opportunities the shrewd business men and bankers of the United States are finding profitable.

Canada has made undoubted progress during 1927. Its greatest need continues to be more population. There was an increase of about twenty per cent. in the number of immigrants who arrived in Canada as compared with 1926, but the total number, about 150,000, does not impress us that the admitted problem is being grappled with in an effective manner. More particularly do we feel concern at the small proportion of British immigrants, only about one-third of the whole. Britain has large numbers of citizens whom it can very well spare and about whose settlement in the Dominions its Government has been concerning itself. For a considerable time an Overseas Settlement Committee, of the British Parliament, has been at work, that Parliament has voted large sums to assist the movement, other public, philanthropic and Church organizations have their emigration committees and officials, and yet, while Canada affords opportunities which cannot be surpassed in the world, with the additional advantage of the comparatively short and inexpensive journey necessary to reach it, a visitor to the Old Land cannot but be impressed with the fact that the distant Dominions, Australia and South Africa, are arousing greater interest in the minds of prospective migrants. It is a subject in which not only governments are concerned but in which every taxpayer has a vital interest. A conference of representatives of various interests has been suggested. Possibly what is required may be a more concentrated, and at the same time more aggressive and determined effort. It may be that efforts at present are too diversified and suffer from lack of correlation and that what is needed may be not more but fewer and more efficacious agencies. But if that be the case, possibly such a business conference as has been suggested might discover the fact.

The present would appear to be the day of our opportunity. The great Ambassador of the Empire, H.R.H. the Prince of Wales, again visited Canada last year and was this time accompanied by the Premier of Great Britain. That Mr. Baldwin was deeply and sincerely impressed with the opportunities awaiting settlers in Canada he made very evident on many occasions, both in Canada and since returning home. In a recent speech in London the Prince of Wales said, "Canada is on the threshold of one of the most astonishing eras of expansion and development ever seen. Exactly how long it will take none of us know, but certainly it will occur in the lifetime of many of us. In this expansion we should actively co-operate, as Canada desires good brains, good money, good work, and if I have learned anything in my eight years' experience of the Dominion, it is that she wants them to be British." With this concluding statement we can most emphatically associate ourselves.

The visit and careful investigations of the Empire Mining and Metallurgical Congress cannot but have an important educative influence, and we especially welcome the recent visit of the Secretary for Dominion Affairs, who is also Chairman of the Empire Marketing Board, which is actively endeavouring in an intelligent and aggressive way to stimulate and increase trade within the Empire. The Empire is our best customer and we can advantageously sell her much more of our products. If at the same time, by purchasing more Empire products, we can, though reducing the favourable balance of trade with Britain, also reduce the very large adverse balance of trade with the United States, may it not prove advantageous not only to Britain and the Empire, but to Canada as well? We welcome all such visits as those of Premier Baldwin and Colonel Amery, who, coming to us as Ambassadors of the Empire, on their return home are Ambassadors of Canada as well.

We concur in the views frequently expressed that speculation has reached a stage in which it may possibly prove dangerous. While there is nothing inherently wrong in intelligent speculation, a serious situation is created when such large numbers of every class in the community are allured by the stories they hear, many of them no doubt reasonably accurate, of large profits derived from speculative commitments on the part of some who were fortunate enough to be possessed of information not available to the general public, into what in many instances cannot be other than a gamble as to whether certain stocks will go up or down. When in this way, speculation becomes over-extended, a large aggregate of small savings is too frequently lost by numbers of people whose purchasing power will thereby be greatly curtailed to the general disadvantage of the community.

The General Manager will now address you, after which it will be my privilege to offer a motion for the adoption of the Report.

### GENERAL MANAGER'S ADDRESS

For the past few years we have, at our Annual Meetings, directed the attention of the Shareholders to evidences that Canada was laying a solid foundation for a new era of prosperity. There may have been some "doubting Thomases" but we believe there cannot be many who are not now satisfied that good progress has been made in the erection of the superstructure.

A Canadian political leader once said that he did not consider it profitable to discuss the question as to whether the country was properous or not as, he said, when prosperity arrives the people will have the evidence of it in their pockets. For a similar reason it would seem to be unnecessary at present to devote much time to this subject. Nevertheless, it may not be out of place to review, as briefly as possible, the most important features which have had and are having an effect upon Canadian business.

The Dominion Government's estimate of the total value of field crops in Canada for 1927 was $1,134,192,600, an increase of $29,209,500 over those of 1926. This increase extended to all the principal varieties of crops except potatoes, upon which farmers in the Maritime Provinces largely rely, corn and hay. The aggregate value exceeds the high average of the past four years.

The Western grain crops were again subjected to many vicissitudes. An unusually late spring was followed by a protracted rainy season, with considerable land temporarily submerged, and in consequence a reduced acerage was seeded. A period of rapid growth was followed by an exceptionally early frost in August and at a later date rust also appeared in Manitoba and portions of Saskatchewan. There was a serious reduction in the quantity of all grains in Manitoba, a slightly reduced quantity of wheat in Saskatchewan with increased yields of oats, barley and rye, while Alberta produced largely increased quantities of all grains, its record crop of more than 170,000,000 bushels of wheat being especially noteworthy.

An unfavourable and disappointing feature in connection with the good returns Western farmers have derived fro successive years of large crops, which they have been able to market at satisfactory prices, has manifested itself in a large decrease in dairy production, which previous to 1927 had been rapidly expanding and a year ago gave promise of continuing to develop in a satisfactory way. It is probable that other causes, of a less discouraging nature, were also contributory to the setback which the dairying industry experienced, among them being the fact that from the summer of 1926 there had been a feed shortage, that high prices for beef have prevailed during the past year, and the inferiority of many of the herds. The Dairy Commissioner for Saskatchewan believes this latter fact is being realized, says there is an increased demand for pure bred stock and feels satisfied that ere long dairying will resume its onward march.

In the great dairy Provinces of Ontario and Quebec as well, production was somewhat less than in 1926, due partially to large quantities in storage at the beginning of the year, to the continued absence of demand from Great Britain and to an embargo which existed for a considerable period against shipments to the United States. It is satisfactory to note that in Nova Scotia butter production was the largest on record.

There has been a very satisfactory increase in the number of all kinds of live stock, with the sole exception of poultry. Beekeeping is apparently becoming a popular source of increasing the farmers' income, the production of honey in Western Canada having more than doubled in 1927.

The rapid expansion which has been taking place in our largest manufacturing industry, pulp and paper, continued on the same extensive scale as for some years past. Newsprint production, which in 1926 first exceeded that of the United States, further increased by about 200,000 tons, the aggregate having been in excess of two million tons which was 600,000 tons more than were produced in United States mills. There was a corresponding increase in exports of paper, chiefly to the United States, though it is satisfactory to notice that Great Britain's purchases of Canadian newsprint were more than double those of 1926.

A new high record was again set in mineral production in Canada, with large increases in the quantity of practically every mineral. though owing to prevailing low prices for copper, lead, zinc, and silver the value of the output slightly exceeded that for 1926. Of even greater importance is the new development during the year. In the Rouyn area a large smelter has commenced operations, while Northern Manitoba has been definitely established as a mining camp in which mills will be producing at an early date.

Closely identified with the development of our pulp and paper and mineral resources, and to the success of which they greatly contribute, are the practically unlimited water powers of the Dominion. During the year hydro-power equipment was installed to the extent of 221,000 horse-power, bringing the total installation in Canada up to 4,778,000 horse-power. The Government reports that other development is so far advanced that an additional 378,000 horse-power will be ready for operation by the middle of the year, which will bring the aggregate up to more than 5,100,000 horse-power. This will be more than twice the installation at the end of 1920. Notwithstanding the rapid development which has been and is taking place, not more than eleven per cent. of the installation possible from the total recorded water power resources of the Dominion has yet taken place.

In the lumber industry conditions are yet for from satisfactory, owing to over-production due to a reduced export demand. In British Columbia, where this is the leading industry, the year's output is estimated at more than $80,000,000., a reduction of about $5,000,000. as compared with 1926, which is largely due to lower prices which do not yield much profit.

Fisheries have also had a poor year. The British Columbia salmon pack fell off nearly forty per cent., with a halibut catch smaller by four million pounds. The Atlantic fisheries are in a similar condition, the Lunenburg catch being more than thirty per cent. short of the previous year.

The output of manufacturing establishments was greater than in any year in the post-war period. Employment throughout the Dominion was in greater volume than in any other year since 1920, and on December 1st remained at a higher level than in any month of the years 1921 to 1926.

It may be news to many that in Western Canada, which we think of as almost entirely agricultural, manufacturing is steadily increasing. Increases in capital invested, persons employed and value of output have taken place in each of the past few years. British Columbia, of course, holds the leading industrial position in the West, but Manitoba is a very good second. In 1926 the payroll of that Province increased by more than $6,500,000., more than ten million additional dollars were invested in Manitoba industries and 5,249 more people were employed. It is confidently asserted that equal progress has been made in 1927.

In volume of new construction, which some financial experts consider the greatest single factor bearing on general activity and prosperity, 1927 was a notable year. Contracts awarded did not fall far short of four hundred million dollars, exceeding those of 1926 by about twenty-five million dollars. This increase extended to every Province with the exception of Alberta, Saskatchewan and Quebec, the last showing a falling off notwithstanding a greatly enhanced volume in Montreal.

Montreal maintained and further strengthened its position as the greatest port of grain shipment in the world, the aggregate to the close of navigation having been 195,000,000 bush. as compared with 136,000,000 bushels handled in 1926. The quantity shipped in 1927 is said to be almost three times as much grain as the combined shipments of the seven largest grain ports of the United States.

The volume of grain moving to the markets of the world through the Port of Vancouver continues to increase. The experiment of shipping grain through Vancouver was first made in 1921, the total having been less than a million and a half bushels. In 1926 the quantity had increased to 44,439,337 bushels and the Port authorities anticipate a fifty per cent. increase for 1927.

Tonnage at Halifax was appreciably greater in 1927 by about ten per cent. On the other hand a falling off of shipments from Saint John is reported.

Reference might be made to the statistics of the Country's trade, which are an interesting study, to such features of Dominion Finance as increased revenue and reduction of the National debt, to successes attained by Canadian exhibitors of grain, fruit and live stock at many Exhibitions, in the United States and Great Britain, as well as in Canada, to interesting experiments of much promise in agriculture and to research now being undertaken on a greatly enlarged scale. I have, however, commented upon the most salient features of Canada's agricultural, industrial and commercial activity. We believe that the era of prosperity upon which we have entered is so well founded that we may feel a reasonable measure of confidence that it will be of considerable duration.

It is unnecessary to detain you at any length with further observations concerning a Statement which speaks so well for itself as that we have had the privilege this year of submitting to the Shareholders. As the President has intimated, it has afforded the Directors extreme gratification and, for myself, I may admit some pride as well.

Increases of more than twenty-five per cent. in the volume of Assets, of more than eighty per cent. in Canadian debenture money, of forty per cent. in deposits and of twenty-five per cent in mortgage investments are evidences of progress which we believe the most exacting will consider thoroughly satisfactory.

We are well pleased with the increase in our net profits. These profits are not subject to any further deductions, as in addition to all expenses, losses and charges of every kind, including all taxation and interest accrued as well as paid, having been deducted, provision has been made, which we are confident is more than ample, for possible losses and contingencies of every kind. As would naturally be expected, the expenses associated with such a large expansion of our business, including the necessarily heavy charges connected with acquiring the Assets and businesses of two other companies, aggregated a considerable sum. They have, however, all been written off out of the gross profits of the year. We have repeatedly informed you that this has always been our practice and I only mention it to assure you that the fact that the amount was unusually large this year did not deter us from following our customary procedure.

On the contrary, even more conservatism than before has been exercised in the compilation of both the Profit and Loss account and the Balance Sheet. As usual, with a view to erring on the side of caution, credit was not taken for a considerable sum of interest that was actually received. Where properties have had to be sold at a loss, the losses have all been written off. The greatest number of sales have been at prices showing a profit on our book values but in many cases we have considered it prudent to defer taking credit for those profits till a later date. Necessary expenditures for improvements made during the year to three of our office buildings have been paid for and deducted from the year's income.

Notwithstanding considerable appreciation in market values of Bonds and Stocks held by the Corporation, every one of these is carried in our books at cost or less. Though some have been written down, none of them have been written up. Among these are included the Capital Stock of The Canada Permanent Trust Company, which appears in our Assets at its par value, though the rest is now equal to thirty per cent. of the Capital with additional unappropriated profits. Our Trust Company is making good progress, its Assets under administration having increased in 1927 by upwards of five million dollars. As they now amount to $17,320,860, your Directors have in their charge in the Assets of the two Companies nearly eighty-one million dollars.

There is a small reduction in the amount of Real Estate for sale as compared with a year ago. The comparison would be more favourable if, to the figures at the end of 1926, were added the properties taken over among the Assets of the "Royal Loan" and the "British Columbia Permanent," which together were considerably in excess of $300,000. The amount remaining on hand for sale, though large, is less than 1.17 per cent. of the present Assets.

I think the information I have been able to give you sufficiently indicates the care and conservatism with which the Statement has been prepared and with which your business is conducted. I should be seriously remiss if I omitted to acknowledge our indebtedness to the loyalty and zeal of the Managers, officials and staff of our ten offices, as well as to all the officials who ably assist me at Head Office. They and we have all had a more than usually active year, necessitating more than ordinary application and devotion to duty. I feel I am speaking your mind when I extend to them the thanks of the Shareholders, as well as my own.

I have only one further observation to make. The rapid expansion which has taken and is taking place in the volume of our business is rendering it difficult to satisfactorily carry on our operations in the premises we have occupied for seventy years. To provide the necessary accommodation in the present building for the rapidly growing business of our Trust Company, as well as that of the Mortgage Corporation, has been found to be impossible. After giving the subject a great deal of careful consideration, your Directors decided to meet the situation with which they are confronted by purchasing a most eligible site at the south-west corner of Bay and Adelaide Streets, upon which it will be possible to erect new premises which will amply and suitably provide for the growth and development of our two institutions.

### VICE-PRESIDENT'S ADDRESS

In seconding the motion for the adoption of the Report, which registers great expansion in the volume of our Investments, and profits exceeding those of any prior year, I feel sure that it will be counted highly satisfactory.

Within recent months we have absorbed three other Companies, which is not a light undertaking. For the ability displayed in the acquisition of these Companies, and in the transfers completed quietly and without undue disturbance, proof of the efficiency and industry of his staff, the General Manager is entitled to our heartiest congratulations.

The Report and Statement are clear and instructive. They inform us quite unmistakeably that our Corporation, like our Country, is not standing still. That the latter is progressing in great strides and becoming wealthier we all now know. When we consider the large volume of money put into circulation as a result of but three of our activities, the yield of our wheat fields, the product of our pulp and paper mills and the output of our great and rapidly increasing mineral areas, we are able to reach a conception of our great actual as well as greater potential strength.

Quite recently the Right Hon. Reginald McKenna of Great Britain commented on the probability that Canada will soon take first place as a producer of gold. The Canadian Minister of Trade and Commerce is authority for the statement that Canada now has 22,000 manufacturing establishments producing manufactured goods of a value of three billions annually.

Canada stands seventh on the list of countries in the aggregate of its national wealth. In wealth per capita it is preceded by only the United States and Great Britain. We stand fifth among the nations as an exporter and seventh in the volume of our imports. There are 1,400 United States manufacturing concerns with established branch factories in Canada. Canada leads the world in the proportion of its citizens who are owners of the dwellings they occupy, seventy per cent. being in that fortunate position.

Due largely to the rapid expansion of our good roads policy, which has contributed to a greatly increased knowledge of our country's attractions, Canadian tourist trade has assumed great proportions, which seem certain to increase. The Dominion Bureau of Statistics estimates the expenditure in Canada of tourists from other Countries in 1927 at $190,000,000 compared with $84,000,000 in 1920. More than two million motor cars from the United States entered Canada in 1926 for a temporary visit. In 1927 this number was largely exceeded.

The General Manager has informed you of the action taken with a view to securing new and more fitting offices. The decision to move from the dignified old building which has been the home of so many years' activity and success was not lightly undertaken, but the total inadequacy of the present quarters for the greatly increased volume of our operations renders this not alone desirable but imperative. The site chosen has received general commendation as the best for our purposes in Toronto.

I beg leave, Sir, to second the motion for the adoption of the Report.

# CANADA PERMANENT MORTGAGE CORPORATION

## REPORT OF THE DIRECTORS

It affords the Directors great pleasure to submit to the Shareholders the Annual Statement of the business of the Corporation for the year 1927, accompanied by the Balance Sheet and Certificate of the Auditors.

| | |
|---|---|
| The balance at the credit of Profit and Loss at the beginning of the year was | $ 222,529.22 |
| The net profits for the year, after deducting interest on borrowed capital, expenses of management and all charges and losses, after payment of Dominion and Provincial Taxes, which amounted to $98,114.35, and after making provision for possible losses and contingencies, were | 1,009,601.78 |
| Making available for distribution | $1,232,131.00 |
| This sum has been appropriated as follows:— | |
| Four quarterly dividends of Three per cent. each on the paid-up Capital Stock | $ 840,000.00 |
| Balance carried forward at credit of Profit and Loss | 392,131.00 |
| | $1,232,131.00 |

All which is respectfully submitted.

W. G. GOODERHAM,
President.

Toronto, January 11th, 1928.

## FINANCIAL STATEMENT
## 31st December, 1927

### ASSETS

| | | | |
|---|---|---|---|
| Office Premises:—Toronto, Winnipeg, Vancouver, Saint John, Edmonton, Regina, Woodstock (Ontario), Halifax, Brantford, Victoria, B.C. | | $ 1,001,874.13 | |
| Real Estate held for sale | | 743,544.52 | |
| Mortgages on Real Estate:—Principal | $52,640,068.64 | | |
| Interest | 829,377.12 | | |
| | | 53,469,445.76 | |
| Loans on Bonds, Stocks, etc.—Loans on Corporation's Stock | | 4,575.64 | |
| Loans on other securities | | 115,211.98 | |
| Bonds of Dominion of Canada and Provinces of Canada | | 1,502,315.08 | |
| Bonds guaranteed by Dominion of Canada and Provinces of Canada | | 726,812.79 | |
| Bonds of City of Toronto | | 288,981.88 | |
| Bonds guaranteed by City of Toronto | | 142,727.37 | |
| Bonds of State of New South Wales | | 242,886.10 | |
| Canadian Pacific Railway Company Collateral Trust Bonds | | 95,829.84 | |
| Stocks—including $980,000 of The Canada Permanent Trust Company at par | | 1,365,083.24 | |
| Cash in Chartered Banks and On Hand | | 3,962,403.47 | |
| | | | $63,661,691.80 |

### LIABILITIES

| | | |
|---|---|---|
| To the Public— | | |
| Debenture Stock and Accrued Interest (£174,816 2s. 5d.) | $ 850,771.80 | |
| Debentures—Sterling—and Accrued Interest (£2,752,956 5s. 2d.) | 13,397,720.45 | |
| Debentures—Currency—and Accrued Interest | 21,146,848.44 | |
| Deposits and Accrued Interest | 13,149,623.51 | |
| Sundry Accounts | 14,596.60 | |
| | | $48,559,560.80 |
| To the Shareholders— | | |
| Capital Stock subscribed and fully paid | 7,000,000.00 | |
| Reserve Fund | 7,500,000.00 | |
| Dividend payable 3rd January, 1928 | 210,000.00 | |
| Balance carried forward at Credit of Profit and Loss | 392,131.00 | |
| | | $15,102,131.00 |
| | | $63,661,691.80 |

W. G. GOODERHAM, President.
GEORGE H. SMITH, General Manager.

## AUDITORS' REPORT TO THE SHAREHOLDERS

We beg to report that we have audited the books of the Canada Permanent Mortgage Corporation for the Year ending 31st December, 1927, and have verified the cash, bank balances and securities of the Corporation.

That we have examined the foregoing statement and that it agrees with the books of the Corporation.

That after due consideration we have formed an independent opinion as to the position of the Corporation.

That after our independent opinion was formed, and according to the best of our information and the explanations given us, we certify that in our opinion the statement sets forth fairly and truly the state of the affairs of the Corporation.

That all transactions of the Corporation that have come within our notice have been within the powers of the Corporation.

A. E. OSLER, C.A., of Osler and Herington,
HENRY BARBER, F.C.A., of Henry Barber, Mapp and Mapp. } Auditors.

Toronto, January 11th, 1928.

The following Directors were unanimously re-elected: W. G. Gooderham; E. R. C. Clarkson; Col. Albert E. Gooderham; F. Gordon Osler; William Mulock, K.C.; George W. Allan, K.C., of Winnipeg; Archibald B. Campbell, W.S., of Edinburgh; William Stone; George H. Smith, and Norman Mackenzie, K.C., of Regina.

At a subsequent meeting of the Board of Directors, Mr. W. G. Gooderham was re-elected President. Mr. E. R. C. Clarkson was elected First Vice-President, and the General Manager, Mr. George H. Smith, Second Vice-President.

General Manager—GEORGE H. SMITH. Secretary—WALTER F. WATKINS.
Inspector of Branches—ROBERT HENDERSON.
Manager, Ontario Branch—CHARLES S. ROBERTSON.

# HARTLEY WITHERS ON INTERNATIONAL GOLD SCRAMBLE

By HARTLEY WITHERS,
Famous British Economist
Written from London for The Financial Post

LONDON. — With the business barometer steady at a high point everybody is hoping for good weather in all kinds of markets, barring the political possibilities that are associated with general elections in Germany and France and a presidential election in the United States. If only they are left alone business men may safely be trusted to make things better—in the material sense of the phrase, at any rate. It is their job to increase production and distribution of necessities and comforts on which we all live, and they can only make good profits if as many people as possible are prosperous.

But besides the threat of political interruptions to the smooth course of trade, some keen observers are a little anxious about monetary disturbances, owing to the uncertainties with regard to possible demands for gold, and their effects on the minds of the rulers of the central banks. As we all want to know all the contingencies that have to be allowed for, it is worth while to look into this question.

**Is There Enough Gold?**

As everybody knows, it has been decided to get back to gold as the basis of international currency, in spite of the admitted imperfections of the system, because it was proved by experience to have worked well in the past, in spite of the said imperfections, and because no workable substitute, in which the business world would feel the same confidence, has yet been suggested. But we have been warned by distinguished economists that there is a danger that the supply of gold will not be sufficient, unless it is economically and tactfully handled, and they have painted, in colors which have seemed to some of us to be unnecessarily sombre, the disastrous results in the shape of trade depression which are alleged to follow, as a matter of course, from scarcity of credit due to scarcity of gold.

These theoretical fears have taken shape as practical considerations in an article published by the London Economist of January 14, in which Dr. Feliks Mlynarski, vice-chairman of the Bank of Poland, discusses the "Difficulties of the Gold Market" from the point of view of a country with a newly stabilized exchange.

**When Poland Caused Annoyance**

After recalling the difficulties which arose in the spring of 1927, when the Bank of France made large purchases of gold in London and New York, he protests, and with good reason, against a repetition in November of similar critical remarks because purchases of gold had been made by the Bank of Poland. These Polish purchases, as he shows, were based on the stabilization plan, which required the Bank of Poland to maintain a certain reserve in gold. It bought £3,000,000 of gold in New York and only £1,000,000 in London up to the end of the year, and it did not take a half-pennyworth out of the Bank of England stock, but took its whole million from the open bullion market by weekly instalments. Three-fourths of its requirements were met in New York, involving higher freight charges. And yet, in spite of all its tactfulness in treading gently on London's golden corns, "severe criticism was expressed when the unknown buyer in London was identified."

**"Mr. Facing-Both-Ways"**

If so—and Dr. Mlynarski is not likely to have imagined criticism that did not exist—it is clear that some of the English press has developed a morbid sensitiveness about demands for gold. It is quite ridiculous for London to blow its chest out and pat itself on the back because of the restoration of its free market in gold, and then to make ugly faces at any foreign buyer who makes perfectly legitimate use of the market.

The action of France last spring was very reasonably criticised, because the French, on their own semi-official admission, did not want gold for stabilization or any other purpose; their trouble was that owing to the success with which M. Poincare had restored confidence in the franc, French money which had gone abroad for its health was coming home with such a rush that it threatened to force the franc up with a jump that would have been bad for French trade. And so the French authorities, being prevented by political considerations from meeting the difficulty in a businesslike way and stabilizing the franc then and there, deliberately took big lumps of gold from New York and London in order to make money dear in other centres and induce French funds to stay abroad. As British trade was just struggling back to normal conditions after the coal stoppage, and wanted careful nursing and the greatest possible freedom from shocks, this action by the French—so completely contrary to the co-operation and economy in the use of gold that everyone recognized as necessary—was justly criticised. But if Poland is to be subjected to objurgation for taking a modest million, bit by bit, from the London bullion market, without touching the Bank of England's stock, the boasted freedom of London's market begins to look a little thin.

As Dr. Mlynarski truly observes, "any difficulty encountered in withdrawing gold from London throws the buyer back on New York," and the American public has so long been accustomed to seeing a huge store of gold in its possession that continued and heavy withdrawals might make it restive to a point that might be awkward in a year in which the political atmosphere will be tense.

An international scramble for gold would be a ridiculous spectacle and would do nobody any good. For England, with her fine tradition as a free banker ready to meet all demands, to develop the continental habit of gold-hoarding would be a queer way of "getting back to gold." It is sometimes contended that the Bank of England wants much more gold to provide for the fusion of the Treasury note issue with its own. As both issues are already in effect based on its gold stock, it is difficult for the uninitiated to see why, when rolled into one, they will need a bigger foundation. As to what the Bank of France may do when the franc is stabilized is a question that should not be left out of consideration by those who are speculating on cheap money.

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## Public Utility Earnings

**Winnipeg Electric**

| December | 1927 | Inc. Over Dec. 1926 |
|---|---|---|
| Gross earnings | $590,987 | $22,959 |
| Net revenue | 212,665 | |
| Fixed chgs. and taxes | 101,408 | |
| Net income | 111,257 | 6,277 |

**BARCELONA TRACTION**

| Dec. | *1927 Pesetas | 1926 Pesetas | Increase Pesetas |
|---|---|---|---|
| Gross earn. | 8,329,938 | 8,140,504 | 189,434 |
| Oper. exp. | 2,397,736 | 2,363,865 | 33,871 |
| Net earn. | 5,932,202 | 5,776,639 | 155,563 |
| Aggre. gross from Jan. 1 | 87,464,132 | 84,186,500 | 3,277,632 |
| Aggre. net from Jan. 1 | 60,833,774 | 56,779,145 | 4,054,629 |

*These figures include the earnings of the newly acquired Gas Company de Mataro.

**TWIN CITY RAPID TRANSIT**

| 4th quarter— | 1927 | 1926 | % inc. or dec. |
|---|---|---|---|
| Gross rev. | $3,606,459 | $3,630,874 | —00.67 |
| Oper. exp. | 2,558,234 | 2,560,974 | —00.11 |
| Net rev. | 1,048,225 | 1,069,900 | —02.03 |
| Fixed. chgs. and taxes | 613,683 | 512,249 | +19.80 |
| Net income | 434,542 | 557,650 | —22.08 |

| 12 Months— | 1927 | 1926 | % inc. or dec. |
|---|---|---|---|
| Gross rev. | $12,489,573 | $14,001,764 | —03.66 |
| Oper exp. | 9,970,578 | 10,334,436 | —03.52 |
| Net rev. | 3,518,995 | 3,667,328 | —04.04 |
| Fixed. chgs. and taxes | 2,246,394 | 2,230,523 | +00.71 |
| Net income | 1,272,600 | 1,436,805 | —11.43 |

**Duluth-Superior**

| 4th Quarter | 1927 | 1926 | P.C Inc. or Dec. |
|---|---|---|---|
| Gross rev. | 508,341.15 | 553,694.38 | — 8.19 |
| Oper. exp. | 407,628.53 | 434,264.96 | — 6.13 |
| Net rev. | 100,712.62 | 119,429.42 | —15.67 |
| Fixed ch'ges and taxes | 85,611.58 | 79,152.65 | + 8.16 |
| Net income | 15,101.04 | 40,276.77 | —62.50 |

| 12 Months | 1927 | 1926 | P.C Inc. or Dec. |
|---|---|---|---|
| Gross rev. | 2,004,212 | 1,990,012 | + .71 |
| Oper. exp. | 1,570,441 | 1,622,131 | — 3.19 |
| Net rev. | 433,771 | 367,880 | +17.91 |
| Fixed charges and taxes | 326,125 | 307,083 | + 6.20 |
| Net income | 107,645 | 60,796 | +77.06 |

**BRAZILIAN TRACTION**

| Dec. | 1927 Dollars $ | 1926 Dollars $ | Change Dollars $ |
|---|---|---|---|
| Gross earn. | 3,292,022 | 2,953,964 | +338,058 |
| Oper. exp. | 1,534,322 | 1,497,772 | + 36,550 |
| Net earn. | 1,757,700 | 1,456,192 | +301,508 |
| Agg. gross from Jan. 1 | 38,319,989 | 38,602,891 | —282,902 |
| Agg. net from Jan. 1 | 22,054,622 | 21,700,728 | +353,894 |

The figures for the past 12 months follow:

| 1927— | Gross $ | Net $ | Net Inc. $ |
|---|---|---|---|
| January | 2,975,801 | 1,674,929 | x117,359 |
| February | 2,876,578 | 1,614,573 | x64,214 |
| March | 3,080,055 | 1,765,482 | 2,139 |
| April | 3,053,071 | 1,743,614 | 28,242 |
| May | 3,237,839 | 1,901,400 | x49,208 |
| June | 3,197,303 | 1,910,223 | x127,230 |
| July | 3,346,083 | 1,984,762 | x6,044 |
| August | 3,358,938 | 1,990,203 | 27,849 |
| September | 3,293,117 | 1,899,196 | x12,155 |
| October | 3,305,659 | 1,910,390 | 127,436 |
| November | 3,303,181 | 1,902,081 | 242,930 |
| December | 3,292,022 | 1,757,700 | 301,508 |

x Decrease.

In comparing the earnings for Dec., 1927, with the previous year, it should be noted that the average exchange realized in December, 1926, was 12.08 cents as against 12.02 in December, 1927.

**RAILWAY EARNINGS**

| Week end:— | 1928 | 1927 | Change |
|---|---|---|---|
| | $4,934,000 | $4,300,000 | + $634,000 |
| | 6,144,631 | 5,931,446 | + 213,185 |

# CANADIAN STOCK AND BOND QUOTATIONS

## Stock Market Record

WEEK ENDING FEBRUARY 7

| | Div. Rate | Yield Feb. 6 | High for wk. | Low for wk. | Close Feb. 7 | Close Jan. 31 | Sales for wk. | Range, 1928 High | Range, 1928 Low |
|---|---|---|---|---|---|---|---|---|---|
| **Banks—** | | | | | | | | | |
| Commerce | 12+1 | 4.52 | 290 | 283 | 288 | 284 | 375 | 290 | 277 |
| Dominion | 12+1 | 4.90 | 265 | 265 | 265 | 263 | 16 | 265 | 261 |
| Can. Nationale | 10 | 5.34 | 187 | 187 | 187 | 187 | 14 | 190 | 186 |
| Imperial | 12+1 | 5.26 | 248½ | 247 | 248½ | 247½ | 136 | 250 | 246 |
| Montreal | 12+2 | 4.08 | 344 | 338 | 344 | 340 | 334 | 347 | 334 |
| Nova Scotia | 16 | 4.11 | 390 | 384 | 390 | 386 | 66 | 390 | 375 |
| Royal | 12+2 | 3.93 | 357 | 345 | 357 | 347 | 1685 | 357 | 330 |
| Standard | 12 | 4.68 | 265 | 250 | 255 | 250 | 1526 | 265 | 236 |
| Toronto | 12+1 | 4.36 | 299 | 296½ | 299 | 296 | 287 | 306 | 280 |
| **Paper—** | | | | | | | | | |
| Abitibi (new) | . | ... | 82 | 78 | 78 | 81½ | 3895 | 83 | 78 |
| Abitibi, c. (no par) | 5 | 3.20 | 160 | 156 | 156 | 163 | 235 | 164½ | 140 |
| Do. pref. | 7 | 5.49 | 127½ | 127½ | 127½ | 127½ | 5 | 127½ | 127½ |
| Belgo. Can., pref. | 7 | 6.36 | 110 | 110 | 110 | 109 | 25 | 110 | 106 |
| Brompton (no par) | $2 | 3.07 | 71 | 63 | 64 | 69⅛ | 12147 | 71 | 51 |
| Fraser, com. | . | ... | 59½ | 58 | 58½ | 59 | 1289 | 63 | 57 |
| Do. pref. | 7 | 4.00 | .. | ... | ... | ... | ... | 184 | 132⅝ |
| Int. Pap., c. (no par) | $2.40 | 3.38 | 73 | 70¼ | 72¾ | 72 | 12700 | 76¼ | 67⅛ |
| Do. pref. | 7 | 6.51 | 107⅝ | 107¼ | 107½ | 107½ | 70 | 107⅝ | 105 |
| Laurentide | 6 | 4.54 | 134 | 131½ | 132⅝ | 134 | 7100 | 134¾ | 114 |
| Port Alf. P., c. (n.p.) | . | ... | 117 | 115 | 115 | 120 | 211 | 122 | 95 |
| Do. pref. | 7 | 6.54 | 108 | 107 | 108 | 108 | 50 | 108 | 102 |
| Price Bros., com. | 2 | 2.22 | 95 | 90 | 90 | 95 | 251 | 96 | 78 |
| Do. pref. | 6½ | 6.19 | 105 | 105 | 105 | 105 | 101 | 105⅝ | 103 |
| Smith, Howard, com. | . | ... | 92 | 91 | 91 | 92 | 335 | 93 | 71 |
| Do. pref. | 8 | 6.95 | 115½ | 115 | 115 | 115 | 35 | 117 | 115 |
| Span. River, com. | 7 | 4.32 | 162 | 162 | 162 | 163½ | 175 | 163½ | 135 |
| Do. pref. | 7 | 5.14 | 136½ | 136 | 136 | 136½ | 872 | 152 | 136 |
| St. Maur. V., c. (n.p.) | . | ... | 98 | 93 | 94 | 99 | 1529 | 100 | 72½ |
| Do. pref. | 7 | 6.66 | 105 | 104 | 105 | 105 | 265 | 105 | 101½ |
| Wayagamack (n.p.) | $3 | 2.50 | 123 | 120 | 120 | 123 | 915 | 127¼ | 106 |
| **Steel and Steel Industries—** | | | | | | | | | |
| B.E. Steel, com. | * | ... | 5½ | 3⅞ | 4⅛ | 4 | 8852 | 5½ | 1 |
| Do. 1st pref. | * | ... | 48⅛ | 43 | 43 | 45½ | 2221 | 48⅛ | 22 |
| Do. 2nd pref. | * | ... | 11¼ | 8 | 8½ | 9½ | 21766 | 11¼ | 3½ |
| Can. Car & Found., c. | . | ... | 54 | 51 | 51 | 54 | 1560 | 54⅞ | 46½ |
| Do. pref. | 7 | 7.40 | 94½ | 94 | 94¼ | 94 | 895 | 94½ | 90 |
| Can. Fairbanks, pref. | 6+3† | 5.82 | 103 | 103 | 103 | 103 | 100 | 103 | 103 |
| Can. Forgings, com. | . | ... | 17 | 17 | 17 | 19 | 50 | 20 | 15 |
| Do. pref. | 5† | ... | .. | ... | ... | ... | ... | 68 | 65 |
| C.G.E., c. (par $50) | . | ... | .. | ... | ... | ... | ... | 71 | 70½ |
| Do. pref. (par $50) | 7 | 5.78 | 61 | 60 | 61 | 61 | 367 | 62½ | 60 |
| Canada Iron, com. | . | ... | 25 | 25 | 25 | 28 | 2 | 25 | 25 |
| Do. pref. | 4 | 5.00 | .. | ... | ... | ... | ... | 80 | 60½ |
| Can. Locomotive, com. | . | ... | .. | ... | ... | ... | ... | x48 | 25 |
| Do. pref. | 7 | 8.86 | 79 | 79 | 79 | 75 | 19 | 79 | 75 |
| Dominion Bridge | $2.60 | 3.82 | 69½ | 66 | 69 | 68 | 5898 | 74¾ | 66 |
| Do. Rts. | * | ... | 2½ | 1⅝ | 2 | 1¾ | 58964 | 2½ | 1 |
| Dominion Coal | * | ... | 96½ | 95 | 96 | 88 | 620 | 96½ | 75 |
| Dominion Iron, pref. | * | ... | 12 | 10 | 12 | 5 | 140 | 12 | 5 |
| Dom. Steel Corp., pref. | * | ... | 76¼ | 70 | 70 | 71 | 225 | 76¼ | 44½ |
| East Steel Prod. (n.p.) | . | ... | 28¾ | 28½ | 28¾ | 29 | 120 | 30 | 23 |
| Do. pref. | 7 | 7.17 | 97½ | 97½ | 97½ | 99 | 85 | 99 | 97¼ |
| Ford Motor | 15 | ... | .. | ... | ... | ... | ... | x475 | 436 |
| Gould Pumps, pref. | 7 | ... | .. | ... | ... | ... | ... | x100 | 100 |
| Kelvinator, c. (n.p.) | . | ... | 6 | 5 | 6 | 5 | 375 | 6¼ | 5 |
| Do. pref. | 7 | 9.55 | 80 | 73¼ | 73¼ | 75 | 65 | 80 | 65 |
| Massey-Har., c. (n.p.) | . | ... | 43⅞ | 40½ | 40½ | 43¾ | 22276 | 47¼ | 39½ |
| Do. pref. | 7 | 6.36 | 110 | 107½ | 108½ | 108¼ | 427 | 110 | 107½ |
| McKin. Ind., c. (n.p.) | . | ... | 35⅝ | 32 | 33 | 30¼ | 690 | 35⅝ | 27¾ |
| Do. pref. | 7 | 7.07 | 99 | 99 | 99 | 99 | 50 | 99 | 97⅛ |
| Do. Vot. Trust | . | ... | 35 | 32 | 34 | 31 | 1070 | 35 | 26 |
| Ontario Steel | 6 | 5.06 | 118½ | 118½ | 118½ | 119 | 200 | 118½ | 118½ |
| Do. pref. | 7 | 5.83 | 120 | 120 | 120 | 120 | 10 | 120 | 120 |
| Page Hersey, c. (n.p.) | $3 | 3.09 | 102 | 93 | 98 | 97 | 15012 | 108 | 85 |
| Do. pref. | 7 | 3.64 | 200 | 186 | 200 | 204 | 547 | 212 | 171 |
| Pressed Metals, com. | $3 | 5.88 | 51 | 50 | 51 | 52 | 155 | 58 | 50 |
| Do. pref. | 7 | 7.36 | .. | ... | ... | ... | ... | 95 | 95 |
| Russell Motor, com. | 4 | 6.95 | .. | ... | ... | ... | ... | 60 | 57½ |
| Do. pref. | 7 | 7.07 | 100 | 99 | 100 | 100 | 117 | 100⅛ | 98 |
| Steel of Canada, com. | 7 | 3.57 | 198 | 187⅝ | 191 | 198 | 5630 | 199¾ | 180 |
| Do. pref. | 7 | 3.88 | 180 | 173¾ | 180 | 180 | 701 | 180 | 170 |
| N.S. Steel, pref. | . | ... | 25 | 25 | 25 | ... | 25 | 25 | 25 |
| **Milling, Foodstuffs and Merchandising—** | | | | | | | | | |
| Alta. P. Gr., c. (n.p.) | . | ... | 69¾ | 64½ | 66½ | 70 | 5105 | 70½ | 51 |
| Do. pref. | 7 | 7.00 | 101½ | 99 | 100 | 99 | 455 | 101½ | 96½ |
| Arnolds, c. (no par) | . | ... | 18 | 16 | 16½ | 18 | 500 | 20⅛ | 15 |
| Do. pref. | . | ... | .. | .. | .. | ... | ... | 87 | 86 |
| Atlan. Sug., c. (n. p.) | . | ... | 24½ | 23¼ | 24 | 25 | 320 | 27½ | 15½ |
| Do. pref. | . | ... | 75 | 75 | 75 | 80 | 20 | 85½ | 75 |
| B.C. Fish., c. (n.p.) | $1.25 | 12.50 | 10½ | 9 | 9 | 11 | 2045 | 12½ | 9 |
| Do. pref. | 7 | 12.72 | 60 | 53 | 53 | 60 | 791 | 66 | 53 |
| Can. Bak., c. (no par) | . | ... | 41½ | 40 | 40½ | 40½ | 111 | 42 | 37 |
| Do. pref. | 7 | 6.66 | 105 | 105 | 105 | 104½ | 20 | 105 | 104 |
| Can. Bread, c. (n.p.) | $6 | 3.52 | 170 | 167 | 170 | 170 | 110 | 170 | 155 |
| Do. pref. (A) | 7 | 5.69 | 123 | 120½ | 128 | 123 | 23 | 123 | 115 |
| Do. pref. (B) | 7 | 6.60 | 108 | 106 | 106 | 109½ | 6 | 110 | 106 |
| Can. Canners, com. | . | ... | 19½ | 18½ | 19 | 19 | 1817 | 23 | 17 |
| Do. 1st pref. | 6 | 6.52 | 92¼ | 91½ | 91⅞ | 91¾ | 468 | 94 | 91¼ |
| Do. 2nd pref. | 60c | 2.72 | 22 | 20 | 20¾ | 22 | 5724 | 25 | 19 |
| Canadian Salt | 8 | 5.12 | 156 | 156 | 156 | 155 | 30 | 160 | 154 |
| Christie Br., c. (n.p.) | $1.20 | 1.01 | 125½ | 118 | 120 | 120 | 1330 | 131½ | 86 |
| City Dairy, c. (n.p.) | . | ... | 50 | 47 | 48 | 50 | 2231 | 59¼ | 47 |
| Do. pref. | 7 | 5.73 | 125 | 122 | 125 | 121½ | 15 | 125 | 121 |
| Cuban Can. Sug., c. | . | ... | 3 | 3 | 3 | 3 | 120 | 3 | 3 |
| Do. pref. | . | ... | 28 | 28 | 28 | 28¼ | 10 | 30 | 28 |
| Wm. Davies (A) (n.p.) | . | ... | 45 | 45 | 45 | 45 | 30 | 45 | 43 |
| Do. (B) (no par) | . | ... | .. | ... | ... | ... | ... | 20 | 19 |
| Dom. Stores (n.p.) | $2.40 | 2.22 | 123 | 116 | 118 | 128 | 905 | 129 | 104½ |
| Ham. Dairies, c. (n.p.) | . | ... | 49 | 49 | 49 | 49 | 5 | 50 | 45 |
| Do. pref. | 7 | 6.82 | 102½ | 102¼ | 102¼ | 102½ | 10 | 103 | 102 |
| Hunts, Ltd., c. (n.p.) | . | ... | 39½ | 39½ | 39½ | 41 | 10 | 46 | 39½ |
| Do. pref. | 7 | 7.00 | 100 | 100 | 100 | 100 | 7 | 101 | 99 |
| Inter. Milling, pref. | 7 | 6.42 | 109¼ | 109 | 109¼ | 109 | 65 | 109½ | 107½ |
| Lake of Woods, c. | 12 | 6.70 | 180 | 178 | 179 | 179 | 269 | 185 | 167 |
| Do. pref. | 7 | 5.69 | 123 | 123 | 123 | 122 | 7 | 123 | 122 |
| L. Secord, c. (n.p.) | . | ... | 45 | 43½ | 45 | 43⅞ | 114 | 46 | 37 |
| Do. pref. | 7 | 5.26 | 134½ | 133 | 134 | 134 | 115 | 136 | 121 |
| Loblaw, com. (n.p.) | $1 | 0.95 | 113 | 105 | 109¾ | 113 | 468 | 118 | 93⅛ |
| Do. pref. | 7 | 4.24 | 170 | 165 | 165 | 170 | 76 | 175 | 134 |
| Maple Leaf Mill., c. | . | ... | 126 | 124 | 124 | 125 | 85 | 128⅝ | 104 |
| Do. pref. | 7 | 6.42 | 110 | 109 | 109 | 110 | 50 | 111 | 103 |
| Muirheads, c. (n.p.) | 50c | 3.33 | 16 | 15 | 15 | 16 | 550 | 16½ | 13¼ |
| Do. pref. (par $10) | 75c | 4.41 | 17½ | 17 | 17 | 17 | 116 | 17½ | 14 |
| Nat. Grocers, pref. | 8 | 8.08 | 99 | 98 | 98 | 98 | 30 | 99 | 98 |
| Ogilvie Fl., c. (n.p.) | 5+10 | 3.62 | 414 | 414 | 414 | 410 | 5 | 425 | 410 |
| Do. pref. | 7 | 4.98 | 142 | 142 | 142 | 143 | 50 | 143 | 135 |
| Pure Gold Mfg. (n.p.) | $1.50 | 6.00 | 25½ | 25¼ | 25¼ | 25½ | 700 | 28 | 22 |
| Shred. W., c. (no par) | $3 | 4.16 | 73¾ | 71½ | 71½ | 74½ | 1200 | 78⅞ | 68¼ |
| Stanfords, c. (no par) | $1 | 3.92 | 25 | 24½ | 24½ | 25½ | 35 | 26 | 24 |
| Do. pref. | 7 | 7.36 | 95 | 94½ | 95 | 95 | 105 | 95 | 94 |
| St. Law. Flour, c. | . | ... | 49½ | 48 | 48 | 49½ | 255 | 52¼ | 35 |
| Do. pref. | 7 | 7.95 | ... | ... | ... | ... | ... | 88 | 86¼ |
| Viau Bisc., c. (no par) | . | ... | 32 | 26 | 30 | 32 | 907 | 33 | 15 |
| Do. pref. | 7 | 8.04 | 88 | 87 | 87 | 88 | 21 | 88½ | 85 |
| W. Can. Fl., c. (n.p.) | $1.40 | 3.00 | 47 | 44 | 44 | 49 | 282 | 50 | 37½ |
| Do. pref. | 6½ | 6.13 | 106 | 105 | 105 | 105½ | 28 | 106 | 105 |
| W. Groc., c. (n.p.) | $1 | 4.55 | 22 | 22 | 22 | 21 | 51 | 22 | 19 |
| Do. pref. | 7 | 9.33 | 75 | 75 | 75 | 76 | 10 | 77 | 75 |
| **Utilities—** | | | | | | | | | |
| Bell Telephone | 8 | 4.96 | 162 | 160 | 161 | 161 | 214 | 164 | 151 |
| Calgary Power | 5 | 4.76 | 105 | 105 | 105 | 105 | 100 | 105 | 100 |
| Can. Power & Pap. | . | ... | 39 | 36½ | 37½ | 38⅞ | 9210 | 40½ | 36½ |
| Consumers Gas | 10 | 5.02 | 199 | 198 | 198 | 197 | 113 | 200 | 196 |
| East Koot. Pr. (n.p.) | . | ... | .. | ... | ... | ... | ... | 25 | 25 |
| Do. pref. | 7 | 7.07 | .. | ... | ... | ... | ... | 99 | 99 |
| Int. Util. (A) (n.p.) | $3.50 | 7.14 | 49¼ | 47½ | 48¼ | 48½ | 1957 | 51¼ | 47 |
| Do. (B) (no par) | . | ... | 9½ | 8½ | 8¾ | 9¼ | 4618 | 10⅝ | 8½ |
| Jamaica Pub. Ser., pf. | 7 | 6.08 | 115 | 115 | 115 | 107 | 25 | 115 | 105 |
| Laurentide Power | 5 | 3.13 | 160 | 160 | 160 | 160 | 5 | 165 | 135 |
| Mackay, com. | 7 | 6.19 | 116 | 113 | 113 | 117 | 196 | 119¼ | 113 |
| Do. pref. | 4 | 5.73 | 70 | 69 | 69 | 69¾ | 115 | 70 | 67½ |
| Mexican Light, c. | . | ... | 65⅛ | 64 | 65⅛ | 65 | 106 | 67 | 64 |
| Do. pref. | 3½ | ... | .. | ... | ... | ... | ... | 80 | 77 |
| Mont. L. H. & P. (n.p.) | $2 | 2.16 | 93 | 91½ | 92 | 91½ | 4451 | 94½ | 89 |
| Mont. Teleg. (p. $40) | 8 | 5.82 | 55 | 55 | 55 | 53½ | 10 | 55 | 53¼ |
| Nor. Mex. Pr., c. | 4 | 3.73 | 109 | 104 | 107 | 109 | 3140 | 110 | 90 |
| Do. pref. | 7 | 7.00 | .. | ... | ... | ... | ... | 100⅜ | 97 |
| Ot. & H. Pr., c. (n.p.) | . | ... | 70 | 44 | 70 | 40 | 260 | 70 | 35 |
| Do. pref. | 7 | 7.07 | 100 | 100 | 100 | 99 | 10 | 100¾ | 99 |
| Ott. L. H. & Pr., c. | 6 | 4.47 | 134 | 134 | 134 | 134 | 10 | 134 | 134 |
| Do. pref. | 6½ | 6.07 | 107 | 107 | 107 | 107½ | 20 | 109 | 106 |
| Power Corp., c. (n.p.) | . | ... | 84½ | 75 | 84 | 76¾ | 18953 | 84½ | 70½ |
| Do. pref. | 6 | 6.00 | 100 | 99½ | 100 | 99¾ | 85 | 100½ | 99 |
| Quebec Power, c. | $2 | 2.26 | 91¼ | 88 | 89 | 88¼ | 8552 | 92 | 86¾ |
| Shawinigan (no par) | $2 | 2.10 | 96 | 92½ | 94¾ | 92½ | 21001 | 96 | 87 |
| S. Can. Pr., c. (n.p.) | 4 | 2.89 | 185 | 135 | 135 | 138 | 5 | 145 | 114 |
| Do. pref. | 6 | 5.60 | 107½ | 106 | 107 | 107 | 38 | 107⅞ | 105 |
| **Transportation—** | | | | | | | | | |
| Can. Pacific Rly. | 10 | 4.87 | 205 | 200 | 200 | 206 | 10 | 215 | 200 |
| Can. Steam., c. (n.p.) | . | ... | 34¾ | 32 | 33 | 32 | 1086 | 35 | 31 |
| Do. pref. | 6 | 6.55 | 92½ | 90 | 92½ | 90 | 962 | 92½ | 89 |
| Do. voting | . | ... | 32 | 32 | 32 | 31 | 130 | 32 | 31 |
| **Tractions—** | | | | | | | | | |
| Barcelona (par $50) | 1 | ... | .. | ... | ... | ... | ... | 62 | 62 |
| Brazilian, c. | 7 | 3.49 | 204 | 197¼ | 208½ | 197 | 19410 | 223¾ | 195 |
| Do., Rights | . | ... | 20 | 18⅝ | 19¾ | 18¾ | 46530 | 21 | 18 |
| Do. (new) | . | ... | 53⅞ | 51 | 52¾ | 51 | 67434 | 58⅞ | 50½ |
| Do. pref. | 6 | 3.29 | .. | ... | ... | ... | ... | 183 | 177 |
| Detroit Un. Rly. | . | ... | .. | ... | ... | ... | ... | 1 | 1 |
| Duluth-Superior | $1 | 5.00 | 20 | 20 | 20 | 19 | 45 | 22 | 19 |
| Minneapolis S.S. | . | ... | .. | ... | ... | ... | ... | x48 | 42⅛ |
| Mexican Trams. | . | ... | .. | ... | ... | ... | ... | x21 | 19¼ |
| Montreal Trams. | 10 | 5.12 | 195 | 195 | 195 | 195 | 11 | 200 | 190 |
| Ottawa Traction | 4+1 | 7.35 | 68 | 68 | 68 | 68½ | 1 | 68½ | 68 |
| Porto Rico Rlys., c. | $3 | 4.30 | .. | ... | ... | ... | ... | x70⅝ | 59 |
| Do. pref. | 7 | 7.00 | 100 | 100 | 100 | 99 | 10 | 100 | 98½ |
| Twin City, c. | 4 | 7.84 | 52 | 49 | 51¾ | 50 | 1619 | 52 | 47 |
| Do. pref. | 7 | 6.71 | .. | ... | ... | ... | ... | 104¼ | 104¼ |
| Winnipeg Elec., c. | 2 | 1.67 | 119½ | 111½ | 115 | 111⅞ | 18769 | 119½ | 98 |
| Do. pref. | 7 | 6.42 | 109½ | 108 | 109 | 109 | 215 | 110 | 107 |
| **Textiles—** | | | | | | | | | |
| Can. Conn. Cot., pref. | 4 | 4.70 | 85 | 82¾ | 84 | 84 | 1115 | 88 | 66 |
| Can. Converters | 7 | 6.08 | 118 | 109 | 113 | 109 | 2558 | 118 | 101 |
| Can. Cotton, com. | 8 | 5.26 | 152 | 152 | 152 | 152 | 40 | 152 | 140 |
| Do. pref. | 6 | 6.00 | 100 | 100 | 100 | 101 | 5 | 102½ | 100 |
| Can. Woollens, com. | . | ... | 20 | 19¾ | 20 | 21 | 65 | 25 | 14 |
| Do. pref. | . | ... | 83½ | 80 | 83½ | 80 | 45 | 83½ | 80 |
| Cosmos Imp., c. (n.p.) | . | ... | 27½ | 28½ | 23 | 24¼ | 389 | 27½ | 22 |
| Do. pref. | 7 | 7.03 | .. | ... | ... | ... | ... | 100 | 99 |
| Dom. Tex., c. (n.p.) | $5 | 3.75 | 133½ | 131 | 133½ | 133 | 424 | 134½ | 130 |
| Do. pref. | 7 | 5.34 | 131 | 131 | 131 | 130 | 20 | 131 | 130 |
| Monarch Knit, c. | . | ... | .. | ... | ... | ... | ... | x39½ | 7½ |
| Do. pref. | . | ... | 50 | 48 | 50 | 48 | 70 | 50 | 45¾ |
| Montreal Cottons, c. | 6 | 5.21 | .. | ... | ... | ... | ... | 115 | 115 |
| Do. pref. | 7 | 5.69 | 125 | 123 | 128 | 122 | 16 | 125 | 121 |
| Penmans, c. (no par) | 4 | 3.90 | 104 | 102½ | 102½ | 104 | 105 | 106 | 100¼ |
| Do. pref. | 6 | 5.76 | 104 | 104 | 104 | 103 | 10 | 106¼ | 103 |
| Wabasso Cot. (no par) | 6 | 4.61 | .. | ... | ... | ... | ... | 133 | 125 |
| Zimmerknit (no par) | . | ... | 27 | 22 | 25 | 27½ | 389 | 30 | 22 |
| Do. pref. | 7 | 6.66 | 105 | 91 | 91 | 92 | 152 | 105 | 91 |
| Wabasso Rts. | . | ... | 15 | 14 | 14 | ... | 77 | 15 | 14 |
| **General Industrials—** | | | | | | | | | |
| Am. Sales, c. (p. $20) | 4 | 5.06 | 80 | 78¼ | 79 | 79 | 213 | 80 | 71 |
| Do. pref. | 7 | 6.48 | 112 | 108 | 112 | 108 | 66 | 112 | 108 |
| Asbestos Co., c. (n.p.) | . | ... | 37 | 33½ | 34½ | 34¼ | 7448 | 37 | 32¾ |
| Do. pref. | 7 | 7.33 | 95½ | 93½ | 95 | 94 | 671 | 96 | 92 |
| Brant. Cd., p. (p. $25) | 8 | 12.50 | 16½ | 16 | 16½ | 16 | 55 | 16½ | 15 |
| Building Prod., com. | $1.20 | 2.85 | 42¼ | 38 | 41 | 40½ | 16735 | 42½ | 33¾ |
| Do. pref. | 7 | 6.60 | 106 | 104 | 106 | 104 | 100 | 106 | 104 |
| Burt, F. N., c. (p. $25) | $3 | 4.12 | 74 | 72¼ | 73 | 75½ | 381 | 76 | 66½ |
| Can. Cement, c. (n.p.) | . | ... | 35 | 32½ | 34 | 33 | 20073 | 35 | 31 |
| Do. pref. | . | ... | 100¼ | 99½ | 100 | 99¾ | 2335 | 100¼ | 97½ |
| Can. Bronze, c. (n.p.) | . | ... | 87 | 77 | 85 | 76 | 3220 | 87 | 67 |
| Do. pref. | 7 | 6.36 | 110½ | 109½ | 109½ | 110 | 55 | 110½ | 109½ |
| Conduits, c. (no par) | . | ... | .. | ... | ... | ... | ... | 38 | 35 |
| Do. pref. | 7 | 6.86 | .. | ... | ... | ... | ... | 102 | 101 |
| C. Smelt. (par $25) | 10+40 | 4.47 | 285 | 278 | 280 | 285 | 2871 | 289½ | 251 |
| Crow's Nest Coal | 6 | 9.67 | 62 | 60 | 60 | 55 | 10 | 62 | 55 |
| Dom. Glass, c. | 7 | 5.30 | 133 | 131¼ | 131¼ | 134 | 672 | 135 | 128 |
| Do. pref. | 7 | 5.83 | .. | ... | ... | ... | ... | 120⅝ | 119 |
| Dom. Rubber, pref. | 7 | ... | .. | ... | ... | ... | ... | x75 | 75 |
| E. Theat., c. (p. $25) | $2 | 7.00 | 29 | 29 | 29 | 29 | 5 | 29 | 28½ |
| Do. pref. | 7 | 7.36 | 95 | 95 | 95 | 95 | 1 | 95 | 95 |

| | Div. Rate | Yield Feb. 6 | High for wk. | Low for wk. | Close Feb. 7 | Close Jan. 31 | Sales for wk. | Range, 1928 High | Range, 1928 Low |
|---|---|---|---|---|---|---|---|---|---|
| Famous Players, com. | . | ... | 88¾ | 85 | 88¾ | 87⅝ | 535 | 90 | 40 |
| Do. pref. | 8 | 7.58 | 105½ | 103 | 105 | 105 | 131 | 106 | 102 |
| Gilman, com. | 6 | 5.00 | 120 | 120 | 120 | 120 | 50 | 120 | 109 |
| Do. pref. | 7 | 5.69 | 123⅛ | 123 | 123 | 122 | 35 | 123⅛ | 115 |
| Goodyear Tire, com. | $5 | 3.13 | 165 | 159 | 159 | 165 | 325 | 168 | 136 |
| Do. pref. | 7 | 6.52 | 107½ | 106 | 107 | 107½ | 303 | 108 | 104 |
| Ham. Un. Theatres, c. | . | ... | 8⅝ | 8 | 8 | 7 | 30 | 8⅝ | 7 |
| Do. pref. | 7 | 8.53 | .. | ... | ... | ... | ... | 82 | 82 |
| Hayes Wheel, c. (n.p.) | . | ... | 28 | 26 | 26½ | 27 | 452 | 31½ | 26 |
| Do. pref. | 7 | 7.21 | 97 | 97 | 97 | 96¼ | 15 | 100 | 96¼ |
| Holt, Renfrew, c. | . | ... | 82 | 80 | 82 | 80 | 76 | 84 | 80 |
| Do. pref. | 7 | 7.44 | .. | ... | ... | ... | ... | 94 | 92 |
| Gotfred., c. (no par) | . | ... | .. | ... | ... | ... | ... | 5 | 9 |
| Int. Nic., c. (par $25) | $2 | 2.08 | 98½ | 94¼ | 96 | 98 | 165716 | 100 | 81½ |
| King Edward Hotel | $2 | 3.39 | 59 | 55 | 57 | 53 | 495 | 59 | 50 |
| Lyall Construction | . | ... | 54 | 52½ | 52½ | 56 | 40 | 60 | 47 |
| Loew's, com. | . | ... | 40 | 40 | 40 | 40 | 35 | 40 | 40 |
| Do. pref. | 7 | 7.00 | 101¾ | 100 | 101¾ | 101 | 104 | 101¾ | 100 |
| National Brick, com. | . | ... | .. | ... | ... | ... | ... | 5 | 5 |
| Do. pref. | 6 | 8.10 | 74 | 74 | 74 | 75 | 25 | 75 | 60 |
| Pacific Burt, com. | 6 | 4.44 | 135 | 135 | 135 | 133 | 10 | 137 | 119½ |
| Do. pref. | 7 | 5.18 | 135 | 133 | 135 | 135 | 55 | 136 | 122 |
| Photo Eng. (no par) | $2 | 5.26 | 39½ | 33¼ | 37½ | 39 | 1039 | 41¼ | 33 |
| Port Hope San., com. | 4 | 1.81 | 220 | 215 | 220 | 205 | 223 | 220 | 190 |
| Do. pref. | 7 | 5.83 | 120 | 120 | 120 | 116 | 50 | 120 | 120 |
| Rogers, Wm., com. | . | ... | 68 | 65 | 68 | 68 | 26 | 68 | 65 |
| Do. pref. | 7 | 6.82 | 103 | 102½ | 103 | 101 | 60 | 103 | 100¼ |
| Sher-Williams, com. | 6 | 3.35 | .. | ... | ... | ... | ... | 180 | 179 |
| Do. pref. | 7 | 5.55 | 126 | 126 | 126 | 127 | 4 | 129 | 125 |
| Standard Chem., pref. | . | ... | 29 | 29 | 29 | 25 | 10 | 29 | 25 |
| Sterling Coal | . | ... | .. | ... | ... | ... | ... | 19 | 19 |
| Tooke Bros., com. | . | ... | 20 | 20 | 20 | 20 | 55 | 20 | 18 |
| Do. pref. | 7 | 10.29 | 68 | 68 | 68 | 68 | 25 | 68 | 67 |
| Tuckett Tobacco, c. | 4 | 3.99 | 100¼ | 100 | 100 | 98 | 20 | 100¼ | 98 |
| Do., pref. | 7 | 5.98 | 117 | 117 | 117 | 117 | 20 | 118 | 116 |
| Woods Mfg., com. | . | ... | .. | ... | ... | ... | ... | x46 | 39 |
| Do. pref. | 7 | 9.09 | 77 | 77 | 77 | 77½ | 10 | 77½ | 77 |
| **Beverage—** | | | | | | | | | |
| Brading Brew. (n.p.) | $2 | 6.25 | 32 | 31 | 31½ | 32 | 795 | 32 | 31 |
| Brew. & Dist. (p. $5) | 5 | 1.46 | 17½ | 17 | 17 | 17½ | 520 | 18 | 16 |
| Can. Brew. (n.p.) | $2 | 5.40 | 37½ | 35¾ | 36 | 37½ | 5253 | 40 | 34¼ |
| C. Ind. Alc. (no par) | $1.52 | 4.10 | 37¼ | 36¼ | 37 | 36½ | 5402 | 40 | 36¼ |
| Do. Rights | . | ... | 1.70 | 1.50 | 1.60 | 1.50 | 37844 | 1.75 | 1.00 |
| Can. Malting (no par) | $1.50 | 4.00 | 39¼ | 38 | 38* | 38⅞ | 4885 | 40¾ | 35⅞ |
| Carling Brew. (no par) | $2 | 5.12 | 40½ | 36½ | 37 | 40¼ | 7130 | 44 | 36½ |
| Com. Alcohol (no par) | $1 | 2.63 | 39 | 37 | 38 | 38⅝ | 1230 | 40 | 25 |
| Do. pref. | 8 | 7.61 | .. | ... | ... | ... | ... | x110 | 103 |
| Cosgrave B. (p. $10) | 6 | 6.66 | 9½ | 8½ | 8½ | 9½ | 1295 | 9¾ | 8¼ |
| Chas. Gurd. c. (n.p.) | $2 | 1.94 | 108 | 100 | 108 | 106 | 3045 | 108 | 93 |
| Do. pref. | 7 | 6.54 | 107 | 107 | 107 | 107 | 15 | 107 | 106 |
| Hiram Walker (n. p.) | $2 | 3.16 | 64 | 61¼ | 62¼ | 64 | 16110 | 69 | 61¼ |
| Lake Ont. Brew. (n.p.) | $2 | 8.33 | 26½ | 23 | 23 | 27 | 125 | 30 | 23 |
| Nat. Brew., c. (n.p.) | 4 | 3.41 | 117 | 115 | 116 | 117 | 4275 | 118½ | 112½ |
| Do. pref. | 7 | 5.64 | 124 | 124 | 124 | 124 | 5 | 124½ | 122 |
| Nat. Distilleries | . | ... | 19 | 18 | 18 | 18 | 335 | 20¾ | 18 |
| Pelissiers | . | ... | 15½ | 14 | 15¼ | 14¼ | 2780 | 15½ | 13¾ |
| Seagram (no par) | . | ... | 29¼ | 22 | 25½ | 27½ | 35095 | 32¼ | 22 |
| Toronto Brew. (n. p.) | . | ... | 10 | 9½ | 9½ | 9⅞ | 1070 | 10 | 9½ |
| **Oil—** | | | | | | | | | |
| Ajax | . | ... | 49½ | 46 | 46 | 49½ | 117000 | 80 | 43 |
| B.C. Oilfields (p. $5) | . | ... | .. | .. | .. | .. | ... | x2¾ | 2 |
| Beacon Oil | . | ... | 15⅛ | 15⅛ | 15⅛ | 15½ | 50 | 17½ | 15 |
| Br. Am. Oil (n.p.) | 80+20c | 2.70 | 38¼ | 36½ | 37⅛ | 37⅞ | 10889 | 40½ | 36½ |
| Can. Oil, c. (no par) | $1 | 1.46 | 68½ | 60 | 64 | 59¾ | 14297 | 68½ | 44 |
| Do. pref. | 8 | 5.19 | 158 | 146 | 154 | 146 | 500 | 170 | 135 |
| Continental Oil | $1 | ... | .. | ... | ... | ... | ... | 22 | 22 |
| Foothills Oil | . | ... | .. | ... | ... | ... | ... | 2.58 | 2.25 |
| Frontenac Oil | . | ... | 32 | 30 | 30 | 32 | 735 | 34 | 30 |
| Imperial Oil (no par) | $1.50 | 2.46 | 62 | 60 | 60½ | 61¼ | 6090 | 65¼ | 59 |
| Int. Pete. (no par) | 75c | 1.85 | 40½ | 37½ | 38¼ | 39¾ | 11295 | 44 | 36¾ |
| McColl-Fron., c. | . | ... | 32½ | 30⅛ | 31⅛ | 32½ | 5896 | 33¾ | 30¼ |
| Do. pref. | . | ... | 90 | 90 | 90 | 89 | 5 | 90 | 89 |
| North Star, c. (p. $25) | . | ... | 2.50 | 2.50 | 2.50 | 2.50 | 100 | 2.75 | 2.50 |
| Do. pref. (par $5) | 7 | ... | .. | ... | ... | ... | ... | 6.50 | 5.10 |
| Petrol Oil | . | ... | 19 | 17½ | 17½ | 19 | 12800 | 21⅞ | 15 |
| Supertest Pet., c. | 50+50c | 1.07 | 95 | 93 | 93 | 94½ | 63 | 96 | 70 |
| Do. pref. | 7 | 7.07 | 99 | 99 | 99 | 99 | 5 | 99 | 97 |
| Trojan Oil | . | ... | .. | ... | ... | ... | ... | x8.60 | 4.00 |
| Venezuel. Pet. (p. $5) | 20c | ... | .. | ... | ... | ... | ... | x7½ | 6½ |
| Volcanic Oil | $1.40 | 4.00 | 37 | 36 | 37 | 35 | 295 | 37 | 29 |
| Vacuum Gas | . | ... | 9¼ | 8½ | 8½ | 9¾ | 8300 | 12½ | 8½ |
| **Trust and Loan—** | | | | | | | | | |
| Can. Permanent | 12 | 5.00 | 240 | 240 | 240 | 238 | 4 | 240 | 230½ |
| Col. Invest. (p. $10) | 6 | ... | .. | ... | ... | ... | ... | 4 | 4 |
| Econ. Invest. (p. $50) | 4 | 3.44 | 58 | 57½ | 57½ | 58 | 140 | 59¾ | 57½ |
| Huron & Erie | 7+½ | 4.83 | .. | ... | ... | ... | ... | 155 | 152 |
| Landed Banking | 10 | 5.00 | .. | ... | ... | ... | ... | 205 | 200 |
| Mont. Loan (par $50) | 12+1 | 6.76 | .. | ... | ... | ... | ... | x52¾ | 47 |
| National Trust | 12+1 | 4.56 | .. | ... | ... | ... | ... | x285 | 232 |
| Ont. Loan (par $50) | 12 | 5.00 | .. | ... | ... | ... | ... | x120 | 111 |
| Real Estate Loan | 7 | 6.54 | .. | ... | ... | ... | ... | x107 | 100 |
| Toronto Gen. Trusts | 12 | 4.31 | .. | ... | ... | ... | ... | 278 | 275 |
| Toronto Mge. (p. $50) | 12 | 4.91 | 122 | 120 | 122 | 114 | 22 | 122 | 114 |
| Union Trust | 7+1 | 5.83 | 150 | 137 | 150 | 135 | 75 | 150 | 135 |
| **CURB AND UNLISTED MARKETS** | | | | | | | | | |
| Asch, com. (no par) | * | ... | 26½ | 26½ | 26½ | 28½ | 5 | 30 | 24½ |
| Do. pref. | * | ... | 93 | 92½ | 93 | 92⅞ | 30 | 93 | 90 |
| Attendu Eng. (par $1) | * | ... | 18 | 15 | 15 | 15 | 2175 | 21 | 12 |
| Belding, com. | 6 | 6.38 | 95 | 92 | 94 | 94 | 85 | 95 | 80 |
| Do. pref. | 7 | 6.66 | 105 | 97 | 101 | 99 | 35 | 105 | 97 |
| Can. Celanese (n.p.) | * | ... | 71 | 61½ | 70 | 64 | 1823 | 78 | 61½ |
| Do. pref. | * | ... | 99 | 98 | 99 | 99 | 280 | 103½ | 98 |
| Can. Dredge, c. | * | ... | 37 | 35 | 36 | ... | 431 | 37 | 35 |
| Do. pref. | * | ... | 115 | 110 | 111 | ... | 277 | 115 | 110 |
| Can. Light & Power | * | ... | 49 | 46 | 49 | 47 | 93 | 49 | 43 |
| Can. Nor. Pr., c. (n.p.) | * | ... | 70½ | 70 | 70½ | 70½ | 11 | 71 | 65 |
| Do. pref. | . | ... | 102 | 102 | 102 | 102 | 514 | 102½ | 100 |
| Cockshutt, com. | 7 | 6.86 | .. | ... | ... | ... | ... | 22⅞ | 21⅛ |
| Do. pref. | . | ... | 130 | 124 | 124 | 135 | 1755 | 143½ | 105¾ |
| Cooksville Sh. Brick, c. | 4 | 3.20 | .. | ... | ... | ... | ... | x14 | 10¾ |
| Do. pref. | * | ... | .. | ... | ... | ... | ... | x55 | 50½ |
| Dom. Engineer. (n.p.) | $2.60 | 4.40 | 60 | 59 | 59 | ... | ... | 65 | 52 |
| Do. Rights | . | ... | 100 | 90 | 100 | 59½ | 270 | 115 | 99 |
| Dom. Power, com. | . | ... | 57 | 55 | 55½ | 99 | 6408 | 57 | 55 |
| Do. pref. | 7 | 6.93 | .. | ... | ... | ... | 700 | x102 | 100 |
| Dryden Paper (n.p.) | * | ... | 45 | 41¾ | 42½ | 44¾ | 5157 | 46¼ | 33 |
| E. Dairies, (no par) | . | ... | 54 | 52½ | 52½ | 52½ | 270 | 55 | 52½ |
| Do. pref. | 7 | 6.96 | 100½ | 100 | 100½ | 100 | 90 | 100½ | 99 |
| Eng. Elec., c. (n.p.) | . | ... | 19¼ | 19 | 19 | 20⅜ | 67 | 23 | 11 |
| Do. pref. | . | ... | 105 | 98 | 98 | 106 | 112 | 112 | 75 |
| Farm. Dairy, c. (new) | . | ... | 24½ | 23½ | 23½ | 24½ | 135 | 27 | 28½ |
| Do. pref. | 7 | 6.36 | 110 | 110 | 110 | 110 | 42 | 110 | 110 |
| For. Pr. Secs. (n. p.) | . | ... | 47 | 45 | 46½ | 47 | 834 | 48⅞ | 38½ |
| Illinois Power, pref. | 7 | 7.05 | 102 | 99¼ | 99¼ | 100½ | 15 | 102 | 99¼ |
| Imp. Tob., c. (par $5) | 6+2 | 4.00 | 10⅝ | 10 | 10 | 10¼ | 7792 | 10¾ | 9¼ |
| Inter. Power, com. | . | ... | 42 | 40½ | 42 | 41½ | 300 | 43¼ | 40 |
| Do. pref. | 7 | 7.01 | 100 | 99½ | 100 | 99½ | 110 | 100 | 97 |
| Kemsley Milburn | . | ... | 16½ | 16 | 16 | 16⅝ | 175 | 17⅝ | 15⅝ |
| Loew's London, com. | 3 | ... | .. | ... | ... | ... | ... | 5¾ | 5⅝ |
| Man. Power (no par) | $2 | 1.62 | 123 | 106 | 118⅞ | 106 | 3168 | 123 | 85 |
| Mitchell, J. S. | . | ... | 39½ | 39 | 39½ | 40 | 135 | 41½ | 38 |
| Do. pref. | 7 | 7.00 | 100 | 100 | 100 | 99½ | 10 | 100 | 99½ |
| Mount Royal, com. | * | ... | .. | ... | ... | ... | ... | x6 | 3 |
| Do. pref. | * | ... | .. | ... | ... | ... | ... | x55¾ | 40 |
| Municipal Service | * | ... | 11½ | 10 | 10 | 11½ | 570 | 15 | 10 |
| North. Bak. (no par) | * | ... | 51 | 47 | 47 | 49⅜ | 11455 | 54 | 42½ |
| N.S. Car, c. (no par) | * | ... | 47⅝ | 44⅝ | 46 | 48 | 3178 | 49 | 39 |
| Ott. Mtl. Pr., c. (n.p.) | * | ... | .. | ... | ... | ... | ... | x25 | 19 |
| Do. pref. (par $50) | 7 | ... | .. | ... | ... | ... | ... | x53⅝ | 47 |
| Ott. Riv. Pr. (no par) | * | ... | 38 | 30 | 38 | 25 | 33 | 38 | 25 |
| Paton Mfg., c. (n.p.) | * | ... | .. | ... | ... | ... | ... | 63 | 55 |
| Do. pref. | * | ... | .. | ... | ... | ... | ... | 103 | 103 |
| Perfection Glass | * | ... | 5 | 4 | 4½ | 5 | 5 | 8¾ | 3⅛ |
| E. L. Ruddy, pref. | 7 | 7.00 | 100 | 100 | 100 | 100½ | 8624 | 101 | 100 |
| Service Stn. Equip. | $1.60 | 3.72 | 46¼ | 42 | 43 | 46 | 80 | 48 | 37½ |
| St. Maur. Power | 4 | 2.15 | 188 | 181 | 188 | 182 | 2575 | 188 | 170 |
| Simpson, Robt., pref. | 6 | 5.82 | 105 | 105 | 105 | 103 | 483 | 105 | 102½ |
| Sover. Secs. (par $5) | . | ... | .. | ... | ... | ... | 5 | 2.00 | 1.50 |
| St. Law. Pp., c. (n.p.) | . | ... | 106 | 103 | 103 | 104 | ... | 110 | 100 |
| Do. pref. | 8 | 6.66 | 120 | 120 | 120 | 118 | 520 | 120 | 116 |
| Standard Clay | . | ... | .. | ... | ... | ... | 20 | x40 | 38 |
| United Secs., com. | . | ... | .. | ... | ... | ... | ... | 64½ | 64 |
| Do. pref. | . | ... | .. | ... | ... | ... | ... | 105 | 104 |
| Wallace Sand | 6 | 5.74 | 104½ | 104½ | 104½ | 105 | 41 | x3 | 2¼ |
| Wolthausen (no par) | . | ... | .. | ... | ... | ... | ... | x25 | 20 |

†Arrears.
xQuotations for 1927. No sales recorded in 1928 to date.

## Unlisted Stocks

These prices are mostly as at February 6, and while obtained from reliable sources, cannot be guaranteed.

**Industrial Stocks**

| | Bid | Asked |
|---|---|---|
| A. W. Chase, com. | $ 2.00 | $ 5.00 |
| A. W. Chase, pref. | 55.00 | 65.00 |
| Border Cities, pfd., bonus c. | 33.00 | 40.00 |
| Brandram Henderson, com. | 19.00 | 23.00 |
| Brandam Henderson, pref. | 85.00 | .... |
| Brantford Roofing | 97.00 | .... |
| Canada Machinery, com. | 7.00 | 11.00 |
| Canada Machinery, pref. | 26.00 | 30.00 |
| Can. Paperboard, pref. | .... | 95.00 |
| Canadian Westinghouse | 225.00 | .... |
| Caulfields Dairy, com. | 32.00 | 37.00 |
| Copeland Flour Mills, pref. | 20.00 | 25.00 |
| Dom. Alloy, pf. bonus com. | 1.00 | 3.50 |
| Dom. Foundries & Steel, c. | 3.00 | 5.00 |
| Dom. Foundries & Steel, pf. | 27.00 | .... |
| Dom. Linens, pref. | 16.00 | .... |
| Dom. Manufacturers, com. | 8.00 | .... |
| Dom. Manufacturers, pref. | 71.00 | .... |
| Dom. Power, com. | 55.50 | .... |
| Dom. Power, pref. | 101.00 | 103.00 |
| Dom. Sewer Pipe, com. | 61.00 | .... |
| Dom. Sugar, com. | 24.00 | .... |
| Dom. Sugar, pref. | 94.00 | 97.00 |
| Dunlop Tire, pref. | 100.50 | .... |
| Durant of Canada | 4.25 | 5.00 |
| Gillett, E. W. | 72.00 | .... |
| Goodyear Cotton, 7% pref. | 100.50 | 103.50 |
| Greening Wire, pref. | 95.00 | .... |
| Guardian Realty, pref. | 60.00 | 65.00 |
| Huethers Brewing, pref. | .... | 4.00 |
| King Edward Hotel "A" | 81.00 | 83.50 |
| King Edward Hotel "B" | 75.00 | 77.00 |
| Kingston Ship-Building, pf. | 18.00 | .... |
| Loew's Buffalo, pref. | 25.00 | 29.00 |
| Loew's London, com. | 5.00 | 5.50 |
| Loew's London, pref. | 8.00 | 8.50 |
| Loew's Mansfield, pref. | 85.00 | .... |
| Milton Brick Co. | 16.50 | .... |
| Palace Thea. (Mont.) pfd. | 70.00 | .... |
| Pure Food, com. | 27.00 | 31.00 |
| Simpson, Robt., pref. | 102.75 | .... |

**Insurance**

| | Bid | Asked |
|---|---|---|
| British America | 45 | .. |
| Canadian Fire, full pd. | 120 | 135 |
| Canada Life | 975 | 1025 |
| Canada National | 18 | .. |
| Casualty of Canada, full pd. | 180 | .. |
| Capital Life, 20% pd. | 26 | .. |
| Confederation Life, 10% pd. | 92 | .. |
| Continental Life, 10% pd. | 74 | .. |
| Crown Life, full paid | 325 | .. |
| Dom. of Can. Guar. & Ac. | 325 | .. |
| Dominion Fire | 120 | .. |
| Dominion Life, 50% pd. | 450 | .. |
| Excelsior Life, 30% pd. | 110 | .. |
| Federal Fire, 25% paid | 42 | .. |
| Fidelity of Canada, full paid | 145 | 160 |
| Great West, full paid | 530 | 550 |
| Imperial Life, 85% paid | 425 | .. |
| Manufacturers Life, 55% pd. | 425 | 475 |
| Monarch Life, 10% paid | 45 | .. |
| Montreal Life, 20% paid | 72 | .. |
| National Life, 25% paid | 72 | 75 |
| Ontario Equitable, 10% paid | 39 | 42 |
| Security Life, 45% paid | 10 | 20 |
| Sovereign Life, 25% paid | 57 | 65 |
| Sun Life, 75% paid | 1800 | 1900 |
| Toronto Casualty | .. | 26 |
| Western Assurance | 62 | .. |

**Mortgage, Loan, Etc.**

| | Bid | Asked |
|---|---|---|
| B. C. Permanent Loan | $104.00 | $ .... |
| British Mortgage & Trust | 207.00 | .... |
| Capital Trust | 70.00 | .... |
| Chartered Trust | 85.00 | .... |
| Commercial Finance, com. | 25.00 | 30.00 |
| Commercial Finance, pfd. | 76.50 | 81.00 |
| Crown Trust | 125.00 | .... |
| Debentures & Sec., com. | 71.00 | .... |
| Debentures & Sec., pref. | 71.00 | .... |
| Lambton Loan & Savings | 80.00 | .... |
| London Loan & Savings | 46.00 | 49.00 |
| London & West Trusts | 150.00 | .... |
| Mfg. Fin. pfd. bonds c. | 5.00 | 6.25 |
| Midland Loan & Savings | 16.00 | .... |
| Mortgage Discount, pref. | 6.75 | 7.50 |
| Mortgage Discount, com. | .40 | .60 |
| Mutual Finance, com. | 7.00 | 8.00 |
| Mutual Finance, pref. | 7.00 | 8.00 |
| Peoples Loan & Savings | 80.00 | .... |
| Saskatchewan Mortgage | 31.00 | .... |
| Sterling Trust Co. | 96.50 | 103.00 |
| Toronto Finance, pref. | .... | 3.50 |
| Waterloo Trust & Savings | 115.00 | .... |

**Club Shares**

| | Bid | Asked |
|---|---|---|
| Bayview Golf | $ 20.00 | $ 40.00 |
| Lakeview Golf | .... | 70.00 |
| Lambton Golf | 435.00 | .... |
| Mississauga Golf | 20.00 | 40.00 |
| Rosedale Golf | 135.00 | .... |
| Summit Golf | .... | 40.00 |
| Thistledown Golf | 45.00 | .... |
| Thornhill Golf | .... | 95.00 |
| Toronto Winter Club | .... | 60.00 |
| Weston Golf | 75.00 | 95.00 |
| York Downs Golf | .... | 270.00 |

**Recent London Quotations**

| | | Sales |
|---|---|---|
| Calgary Power | | 102 |
| Hudson's Bay | 96s. | 3d. |
| Hudson's Bay, 5% pref. | 95s. | 7½d. |
| Can. West Lumber | 6s. | 8d. |
| Standard Chemical, 7% | | 21 |
| Dominion Tar | 45s. | |
| Mond Nickel, ex-div. | 139s. | 9d. |
| Lake Superior | | 7 |

**Recent Vancouver Quotations**

| | |
|---|---|
| B. C. Telephone, pfd., new | 105b. |
| Pacific Coyle, com. | 8b. |
| Gosse Packing, com. | 51b. |
| Do. pref. | 65b. |

**Recent Winnipeg Quotations**

| | Bid | Asked |
|---|---|---|
| Beaver Fire Co. | 120 | .. |
| Can. Fire Ins. Co. | 103 | ... |
| Home Inv. and S. Assn. | 75 | ... |
| N. Mtge., fully paid | 80 | .. |
| N. Mtge., 50% paid | 36 | 36 |
| Northern Trusts Co. | 50 | ... |
| Standard Trusts Co. | 33 | 35 |
| No. Star Oil Co., pref. | 5.25 | ... |
| No. Star Oil, com. | 2.60 | 2.90 |

## Dividends Declared

| | Rate | Date | Record |
|---|---|---|---|
| So Canada Power, c. | $1 | Feb. 15 | Jan. 31 |
| Penmans, com. | $1 | Feb. 15 | Feb. 6 |
| Inter. Paper, c. | 60c. | Feb. 15 | Feb. 1 |
| Brazilian Tr. | 1¾% | Mar. 1 | Jan. 31 |
| East. Theat., c. | 50c. | Mar. 1 | Jan. 31 |
| Massey-Harris, pfd. | 1¾% | Feb. 15 | Jan. 31 |
| Bank of Toronto | 3% | Mar. 1 | Feb. 15 |
| Royal Bank | 3% | Mar. 1 | Jan. 31 |
| Dom. Engineering | 65c. | Apr. 14 | Mar. 31 |
| Dom. Bridge | 65c. | Feb. 15 | Jan. 31 |
| Capital Trust | 5% | Mar. 1 | Dec. 31 |
| Famous Players, pfd. | $2 | Mar. 1 | Jan. 31 |
| McIntyre | 5% | Mar. 1 | Feb. 1 |
| Ont. Steel, com. | 1½% | Feb. 15 | Jan. 31 |
| Do., no par | 37½c. | Feb. 15 | Jan. 31 |
| Do., pref. | 1¾% | Feb. 15 | Jan. 31 |
| Bank of Montreal | 3% | Mar. 1 | Jan. 31 |
| Lake of Woods, c. | 3% | Mar. 1 | Feb. 15 |
| Do., pref. | 1¾% | Mar. 1 | Feb. 15 |
| Crow's Nest | 1½% | Mar. 1 | Feb. 10 |
| Bank of Commerce | 3% | Mar. 1 | Feb. 14 |
| Can. Oil, com. | 25c. | Feb. 15 | Feb. 1 |
| Do., pref. | 2% | Apr. 1 | Mar. 20 |
| Can. Hydro-Elec. 1st pfd | 1½% | Mar. 1 | Feb. 19 |
| For. Pr. Secs. pfd. | 1½% | Feb. 15 | Jan. 31 |
| Wayagamack | 75c. | Mar. 1 | Feb. 15 |
| Can. Malting | 37½c. | Mar. 15 | Feb. 29 |
| Kelvinator pfd. | 1¾% | Feb. 15 | Feb. 4 |
| West. Can. Flour, c. | 35c. | Mar. 15 | Feb. 29 |
| Do., pref. | 1⅝% | Mar. 15 | Feb. 29 |
| Photo Engravers | 50c. | Mar. 1 | Feb. 15 |
| Ott. & Hull Pr. pfd. | 1¾% | Mar. 15 | Feb. 29 |
| Loblaw, com. | 25c. | Mar. 1 | Feb. 18 |
| Do., pref. | 1¾% | Mar. 1 | Feb. 18 |
| Cosmo Imp. pref. | 1¾% | Feb. 15 | Jan. 31 |
| Bk. Can. Nationale | 2½% | Mar. 1 | Feb. 15 |
| East Koot. Pr. pfd. | 1¾% | Mar. 15 | Feb. 29 |
| Can. Converters | 1¾% | Feb. 15 | Jan. 31 |
| Nat. Brick, pfd. | 1½% | Feb. 15 | Jan. 31 |
| Veneuzelan Pet. | 5c. | Feb. 15 | Jan. 31 |

## Bond Movement of the Week

Week Ending February 7

| Bonds | Int. Rate | Due | Yield | Range 1927 High | Range 1927 Low | Range 1928 High | Range 1928 Low | Ask | Latest Price Bid | Latest Price High | Latest Price Low |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Asbestos, gen. mge. | 6 | 1956 | 6.03 | 98 | 88 | 99⅝ | 97½ | 99⅝ | 98⅝ | 99⅝ | 98⅝ |
| Can. Bread | 6 | 1941 | 5.28 | 107 | 105 | 108 | 107 | 107 | ... | 107 | ... |
| Can. Canners | 6 | 1950 | 5.88 | 102 | 96½ | 102 | 101½ | 102 | 101½ | 101½ | ... |
| Can. Pr. & Paper | 5 | 1958 | 5.26 | ... | ... | 96⅛ | 96 | ... | ... | 96 | ... |
| Can. Steamships | 5 | 1943 | 4.71 | 99½ | 97½ | 103¼ | ... | ... | ... | 103¼ | ... |
| Dom. Coal | 5 | 1940 | 5.21 | 94¾ | 90 | 98 | ... | ... | 98 | 98 | ... |
| Mexican Elec. | 5 | 1942 | 8.04 | 77 | 60 | 73¾ | ... | 75 | 73¾ | 73¾ | ... |
| Montreal Tram. 1st | 5 | 1941 | 4.70 | 101 | 96⅝ | 103¼ | 102 | 103¼ | 102 | 103 | 102 |
| Do. A. | 5 | 1955 | 4.91 | 100 | 94¼ | 102 | 99¾ | 102 | 101 | 101¼ | ... |
| N. S. Steel | 5 | 1959 | 7.48 | 70 | 64½ | 70 | 69 | ... | ... | 70 | 69 |
| Quebec Rly. | 5 | 1939 | 4.85 | 101½ | 96 | 101½ | 101 | 102 | ... | 101½ | ... |
| Wabasso | 6 | 1947 | 5.70 | 103½ | 100⅝ | 103½ | 103 | ... | 103½ | 103½ | ... |
| Wayagamack | 6 | 1951 | 5.69 | 103½ | 97 | 104½ | 103½ | 104½ | 104 | 104 | 103½ |
| War Loan | 5 | 1931 | 4.15 | 102.70 | 101.10 | 102.85 | 102.20 | 102.70 | 102.45 | 102.85 | 102.30 |
| Do. | 5 | 1937 | 4.15 | 106.75 | 102.95 | 106.70 | 106.00 | 106.55 | 106.25 | 106.30 | 106.00 |
| Victory Loan | 5½ | 1933 | 4.30 | 106.55 | 103.35 | 106.50 | 105.70 | 105.95 | 105.85 | 106.10 | 105.70 |
| Do. | 5½ | 1934 | 4.53 | 105.55 | 102.80 | 105.85 | 105.10 | 105.90 | 105.65 | 105.85 | 105.50 |
| Do. | 5½ | 1937 | 4.05 | 111.15 | 106.85 | 110.95 | 110.20 | 110.55 | 110.25 | 110.70 | 110.20 |
| Do., renewal | 5½ | 1932 | 4.50 | 104.10 | 101.85 | 104.95 | 104.00 | 104.85 | 104.10 | 104.45 | 103.95 |
| Do., refund | 5 | 1928 | 4.50 | 101.50 | 99.75 | 100.60 | 100.15 | 100.65 | 110.45 | 100.50 | 100.40 |
| Do., refund | 4½ | 1940 | 4.30 | 103.40 | 96.50 | 102.65 | 102.30 | 102.80 | 102.55 | 102.50 | 102.30 |
| Do., refund | 5 | 1943 | 4.47 | 106.40 | 102.30 | 106.00 | 105.05 | 106.20 | 105.95 | 106.00 | 105.90 |
| Do., refund | 4½ | 1944 | 4.30 | 103.00 | 96.60 | 103.05 | 102.40 | 103.10 | 102.80 | 103.00 | 102.55 |
| Do., refund | 4½ | 1946 | 4.26 | 102.70 | 96.70 | 103.10 | 102.70 | 103.55 | 102.95 | 103.10 | 102.85 |

## Stock Market

**MARKET INDICATOR**

**20 Industrial Stocks**

| | High | Low |
|---|---|---|
| Week of Feb. 8 | 109.5 | [illegible] |
| Week of Feb. 1 | [illegible] | [illegible] |
| Month of Feb., 1927 | [illegible] | [illegible] |

**3 Bank Stocks**

| | High | Low |
|---|---|---|
| Week of Feb. 8 | $294 | $289 |
| Week of Feb. 1 | [illegible] | [illegible] |
| Month of Feb., 1927 | 241 | [illegible] |

**10 Public Utilities**

| | High | Low |
|---|---|---|
| Week of Feb. 8 | $113 | $110 |
| Week of Feb. 1 | [illegible] | [illegible] |
| Month of Feb., 1927 | [illegible] | [illegible] |

**WEEK'S GAINS AND LOSSES**

| | Gains | Losses | Unch. | Total |
|---|---|---|---|---|
| Banks | [illegible] | [illegible] | [illegible] | [illegible] |
| Paper | [illegible] | [illegible] | [illegible] | [illegible] |
| Steel | [illegible] | [illegible] | [illegible] | [illegible] |
| Foodstuffs | [illegible] | [illegible] | [illegible] | [illegible] |
| Utilities | [illegible] | [illegible] | [illegible] | [illegible] |
| Tractions | [illegible] | [illegible] | [illegible] | [illegible] |
| Textiles | [illegible] | [illegible] | [illegible] | [illegible] |
| Industrials | [illegible] | [illegible] | [illegible] | [illegible] |
| Total | 91 | 102 | [illegible] | [illegible] |

### Exceptional Business is Done by Hunts, Ltd.

Sales of Hunts, Ltd., for December last were 25 per cent. in excess of those for the same month in 1926. The company's Christmas candy business was exceptionally large and ice cream sales in January were at a record volume. In fact, on one Saturday more ice cream was sold than in any day in 1927, except six days in the hottest part of the summer.

## Foreign Exchange

**NEW YORK FUNDS**

| | High (Premium) | Low | Last year High | Last year Low (Premium) |
|---|---|---|---|---|
| Feb. 2 | 11-64 | 5-32 | 5-32 | 5-32 |
| Feb. 3 | 11-64 | 5-32 | 5-32 | 9-64 |
| Feb. 4 | 5-32 | [illegible] | 9-64 | 9-64 |
| Feb. 6 | 5-32 | [illegible] | 5-32 | 5-32 |
| Feb. 7 | 3-16 | 11-64 | 5-32 | 5-32 |
| Feb. 8 | 3-16 | 11-64 | 5-32 | 5-32 |

**STERLING, FRANCS AND LIRE**

| | Sterling Close | Francs Close | Lire Close |
|---|---|---|---|
| Feb. 2 | 4.86 11-16 | 3.92 5-8 | 5.29 1-8 |
| Feb. 3 | 4.86 5-8 | 3.92 5-8 | 5.29 1-8 |
| Feb. 4 | 4.86 11-16 | 3.92 5-8 | 5.29 1-8 |
| Feb. 6 | 4.86 3-4 | 3.92 5-8 | 5.29 |
| Feb. 7 | 4.86 7-8 | 3.92 5-8 | 5.29 |
| Feb. 8 | 4.86 7-8 | 3.92 5-8 | 5.29 |

**FOREIGN EXCHANGE**

| Par | | Feb. 1 | Feb. 8 |
|---|---|---|---|
| 13.90 | Italian | 5.31 | 5.30 |
| 23.82 | German | 23.86 | 23.86 |
| 13.90 | Belgium | 13.91 | 13.91 |
| 84.85 | Japan | 46.95 | 46.97 |

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Toronto, February 11th, 1928.

DIVERSIFIED STANDARD SECURITIES LIMITED
**DIVIDENDS AND EXTRAS**
Shareholders of Diversified Standard Securities, Limited, have been advised that the first three dividend declarations for the first quarter of 1928 have been as follows:

| | Regular | Extra |
|---|---|---|
| BUCKEYE PIPE LINE declared | $1.00 | $1.00 |
| IMPERIAL OIL declared | 0.25 | 0.12½ |
| CUMBERLAND PIPE LINE | 2.00 | 8.00 |

Diversified Standard Securities, Limited, has substantial holdings in the above-mentioned Companies.
We advise inquiries regarding
**DIVERSIFIED STANDARD SECURITIES LIMITED**
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# Western Farmers' Methods Defended

## Farming To-day in Our Three Prairie Provinces is as Remunerative and Efficient as is Seen in Any Country

By C. W. PETERSEN,
Editor Farm and Ranch Review
(Speech in Hamilton)

Have you ever contemplated that it took the world the better part of half a million years to reach a population of 850,000,000 people? Then came one century of most spectacular increase in world's history. During the 19th century population increased to 1,700,000,000.

Cause of this was doubtless; rendering available, through opening up great overseas continents. Huge reservoirs of food supply and increased mechanization of the farm further adding to the food glut. The position of the Malthusian school of economics has been well sustained.

Aside from Canada there are no more huge undeveloped agricultural areas in virgin countries within the temperate zone and the tropics can never be seriously considered as food reservoirs, for many reasons which I have not time to elaborate on.

It is estimated that there is a total world area of 13,000,000,000 acres of arable lands and that it takes the products of 2½ acres to sustain each head of population. This would provide the bare necessities of life for 5,200,000,000 people.

### Struggle of Mankind

It is estimated that with the present rate of increase this number would be reached well within a century, so that babies now born might easily witness the struggles of mankind for bare existence or wholesale starvation in years of extended crop failure.

The world has definitely entered a new era of increases in food supplies, lagging behind increases in population.

Aside from that, the economics of wheat production will work towards higher rather than low prices.

For every bushel of Overseas wheat placed on the world's bargain counter, three bushels of European wheat must be sacrificed now.

There is a distinct limit to the ability of the European peasant to sell his products below cost. He must turn his attention to something else, which he will do.

The Orient is opening up with undreamed of possibilities in the way of wheat consumption. My fears have been alleviated.

### Sound Basis

So we reach the inevitable conclusion that Western agriculture is on a sound and permanent basis. All is apparently well.

The U.S. with 4 per cent. of the world's farms produced 26 per cent. of the world's wheat or a little over six times the average production.

Our prairie farms represent 0.17 per cent. of all the farms in the world. These farms produced a round 10 per cent. of the world's wheat, or sixty times the average world production.

This was made possible chiefly by a high state of mechanization. We are finding in agriculture as is found in industry that our profits are machine made rather than hand made.

The net value on the farm of wheat and coarse grain raised in the three provinces in 1927 was about $640,000,000, after deducting seed for next season. Of this, wheat accounts for $400,000,000. It has been estimated that all other sources of farm income amounted to only $120,000,000 dollars.

These figures make clear the commanding position of wheat and coarse grain in our present scheme of agriculture and the importance of understanding their significance.

Wheat is Canada's great export commodity. It represents one-third of our total exports. Pulp and paper comes next in importance but contributing only 10 per cent. Wheat is solely responsible for our favorable trade balance.

The golden wheat of the prairies is, in fact, the economic life blood of Canada. It is directly and indirectly the mainstay of our transportation systems and, by its purchasing power, of our commerce and industry.

### Soil Exhaustion

We frequently hear disquieting remarks in respect to the drift of western agriculture. The western farmer is popularly pictured as a "soil robber" interested only in the present and oblivious to the penalty of soil exhaustion which must inevitably face him in the near future.

Western prosperity is built, par excellence, on grain production, but we are told that this is an unscientific system of farming and that our only salvation lies in adopting intensive methods in Western agriculture.

There is so much misinformation and loose thinking on this subject that I would like to attempt to clear the atmosphere, because if western agriculture is pursuing uneconomical methods, it is important that Eastern business should know it to enable them to forecast the future trend of the western market.

### Day of Reckoning

Sales, credit and expansion policies of eastern industry and business must be profoundly influenced by the question of whether the prairie section is developing along sound lines and whether its system of agriculture is on a permanent basis or is built on the easy exploitation of virgin soils with a day of reckoning looming up in the near future.

I make no apology for emphasing this subject. It is my deliberate judgment that without a knowledge of the outstanding features of the story of wheat, the eastern business man cannot hope to forecast or interpret correctly the future or present economic picture of Canada.

I have pointed out the preponderating position of wheat production in Western agriculture. We are now confronted with two questions:

(1) Is it merely a passing incident of pioneering conditions, or, is it physically feasible as a permanent industry?

(2) Canada is now the world's greatest wheat export nation. Can we further expand our wheat production without demoralizing the market and thus rendering the industry unprofitable.

### Intensive Farming

Let me first of all say a word or two on what I call the "hardy perennial" in public opinion in respect to what the Western farmer should do.

I refer to the criticism that he has "all his eggs in the one basket" and that he ought to diversify his operations and embrace intensive farming.

Let me point out, that there is a complete misapprehension in the popular mind of the whole meaning and philosophy of intensive farming.

History teaches unmistakably that intensive farming is the product of pressure of population and consequent increasing land values, leading to smaller farms and the economic necessity of expending more labour on smaller areas in order to make a living.

Intensive farming is not developed by any desire to increase export production. Extensive farming invariably pays better than intensive operations.

Economically, a sparsely settled country is more prosperous with extensive than intensive agriculture.

### Acre of Wheat

Furthermore, let us get this fact clearly in our minds, that as a purely economic proposition, an acre of wheat produces more human food with less labor cost than an acre of any other product.

On this continent we have cotton belts, citrous fruit belts, corn belts, wheat belts, etc. They are there because of soil, climate and markets. Nature not man is the dictator.

Let us also clearly understand that the world's hard wheat area is extremely limited, so much so, that we almost control a monopoly.

From a standpoint of soil and climate, the Almighty evidently intended us to grow wheat and I do not propose to set myself in defiance of natural conditions.

In 1924 the gross farm income of the West was $636,000,000. In 1925 nearly $900,000,000; 1926 $766,000,000; 1927 $776,000,000. This means a spending power per farm ranging from $3,000 to almost $4,000.

It is interesting to note here that the gross income from farms in the U.S. for the same period ranged only from $1,750 to $1,950 or 50 per cent. below that of our three prairie provinces.

### World Record

One farmworker in Europe now takes care of 7 acres and in the United States of 27 acres. Each farmworker in our prairie provinces handles 62 acres, which is a world record. There is your explanation.

Our West is a vast country,—a veritable inland empire—great areas are devoted to dairying and mixed farming, to hay production, to wheat and coarse grains. We are following the lines of least resistance and adapting our operations to local and current market conditions.

We are specializing in various lines. We are not, however, a generation of "one-crop" farmers. Diversification is proceeding as fast as economically feasible and advisable.

Let me make this positive statement, that in spite of minor criticism that may justly be leveled against our Western agricultural policies and performance, farming today in our three prairie provinces is as renumerative and efficient as the world ever saw in any country.

### Soil's Lasting Qualities

Wheat is, and must for generations remain, our leading western product. Admitting this, the key question that confronts Canada is: Will the soil stand up under continued wheat cropping without the expedient of expensive fertilizers?

There is no occasion for resorting to guesswork or theory on that point. We have an agricultural history in Manitoba running back for 50 years and one in the wheat growing states of the Pacific covering 65 years.

There is not the remotest evidence of diminishing returns in either case. On the contrary there has been a steady upward trend in yield per acre.

Wheat Yield per acre in ten year periods U.S.
1866-75 12 bus. '76-'85 12.4 bus.
1886-95 12.7 bus. '95-1905 13.4 bus.
1906-15 15 bus.

Period of 50 years with steady upward trend due to improved methods. Some periods better than others but over any ten or twenty years we don't get below certain minimum results.

We have similar statistics covering Alberta.

The lasting qualities of our soils are due to sub-humid conditions.

I think, we may rest absolutely assured that our rich, western soils will, with an occasional crop of sweet clover turned under to supply humus and improve the mechanical condition, stand up for a practically unlimited period under wheat production.

We find then, that our natural conditions clearly point to wheat as our leading western cash crop. The question then arises "What about the market?"

Some years ago I concluded that we were approaching a dangerous situation with our ever increasing wheat area in the west, which led me into some interesting highways and byways in the field of statistics.

The world's wheat situation in a nutshell is as follows:

Exports to Europe 750,000,000 bus.
Exports to Orient 125,000,000 bus.

875,000,000 bus.

Europe produced 2,100,000,000 bushels, 50 per cent. of the entire world crop, or practically three bushels for every bushel imported. In that fact lies our margin of safety.

Canada today contributes practically 50 per cent. of the export wheat of the world.

When we look at sources of supply over the past twenty year period, we see no evidence of any spectacular increase in wheat exports except in Canada. This is reassuring.

Canada is today the world's greatest exporter of primary agricultural products. We also control the last great area of undeveloped agricultural land, with temperate climate.

### Paramount Reservoir

Canada will for generations—possibly for centuries—occupy the most important position amongst all the nations, namely that of the paramount reservoir of food supplies. Even today without Canada's contribution the world would hover on the bread line.

Only one-third of our arable area is today alienated and only 20 per cent. of this developed. That we can and will treble our present volume of agricultural production is beyond all doubt. That would mean an annual income of $5,000,000,000 equal to our present gross revenue from all sources.

I think, we can all agree that whatever may be our industrial development, its basis will be the creation of agricultural wealth.

If that is the case, we can further agree that the greatest question facing every Canadian is this: "Are we confronting an era of increasing or of decreasing market prices for agricultural products?" Our national destiny is bound up in the answer.

### Alberta Coal

We have a seventh of the world's coal in Alberta. It is practically a dead asset inasmuch as present market prices do not permit of profitable export. Market value and transportation cost cannot be reconciled.

We might conceivably find ourselves in the same position with our wheat.

Wheat is, and always has been, the keystone of agricultural values the world over. The price of that products reflects more or less, the value of all contemporary agricultural products. It also has a long exact and interesting statistical record. It tells graphically the world's agricultural history. It reflects the great historical events.

As a matter of fact, we faced a period of unrenumerative wheat prices during the great agricultural depression between 1885 and 1906. This was a cataclysmic era and, I suppose, many of us did not even realize what was happening to our farmers.

Many will remember eggs at 10c. a dozen, butter at 15c. per pound and apples at $1.50 a barrel on the Hamilton market. I remember wheat at 45c a bushel at Winnipeg in 1889.

I shall now give you a piece of cheering information. During this period of unremunerative wheat world agriculture touched the deepest depression since the year of Our Lord 1649.

Nothing in history to justify any fear of permanently low prices of wheat. There is much to lead to conclusion that low prices of recent decades are wholly artificial and cannot be maintained.

### Liverpool Market

I give you some figures from the Liverpool market:

**High Records—**
1917 .... $2.28; 18-$2.19; 20-$2.43
1801 .... $3.63; 19-$3.24; 12-$3.83; 13-$3.30
1709 .... $1.99; 96-$2.39; 99-$2.10

**Low Records—**
1894—69/-; 95—70/-.
1717—68/-; 32—67/-; 43—63/-.
1654—60/-; 88—69/-.

**Averages for Centuries—**

| | |
|---|---|
| 1600-1699 | $1.17 |
| 1700-1799 | $1.20 |
| 1800-1899 | $1.73 |
| 1900-1920 | $1.28 |

In view of our enormous volume of undeveloped agricultural lands and the overwhelming importance of our export agriculture, the key to our future prosperity lies in the trend of agricultural prices.

So it is a fair question to ask, whether there is any probability of a recurrence of such a depression as we confronted between 1885 and 1906. My reply is: "None whatever."

**BUSINESS BOOKS**

A shelf of good business books is now found in most well equipped offices. We specialize in business books. Name the subject in which you are interested. Use your office letterhead and we will send you a book or two on approval.

**McAinsh & Co. Limited**
60 Front St. West, Toronto

# February Dividend Payments

**SUMMARY OF PAYMENTS**

| | |
|---|---|
| Dividends | $ 4,021,969 |
| Bond interest | 14,736,266 |
| Total | $18,758,235 |

| Company | Rate | Date | Amount |
|---|---|---|---|
| Amer. Salesbook, pf. | 1¾q | 1 | $ 53,782 |
| Barcelona Tr., com. | 1% | 10 | 71,812 |
| Do. pref. | 1 | 10 | 251,934 |
| B.C. Pulp | 1¾q | 1 | 9,733 |
| Belding Corti., com. | 3s | 1 | 22,485 |
| Brompton Pulp | 2q | 15 | 40,000 |
| Can. Bronze, pref. | $1.75q | 1 | 21,875 |
| Can. Converters | 1¾q | 15 | 30,335 |
| Canadian Oil, com. | 25cq | 15 | 24,000 |
| Can. Vickers, pref. | 1¾q | 15 | 29,750 |
| Chase, A. W., pref. | 2q | 10 | 19,956 |
| Cosmo Imp. | 1¾q | 15 | 26,250 |
| Christie, Brown, com. | 30cq | 1 | 23,567 |
| Do. pref. | 1¾q | 1 | 15,424 |
| Dominion Bridge | 65cq | 15 | 211,250 |
| Gen. Steel Wares, pf. | 1¾q | 1 | 78,750 |
| Gosse Packing | 1¾q | 1 | 26,250 |
| Hollinger Mines | 2% | . | 492,000 |
| Humberstone Shoe, c. | 50cq | 1 | 5,000 |
| Do. pref. | 2q | 1 | 6,000 |
| Inter. Utilities, pref. | $1.75q | 1 | 64,694 |
| Imperial Bank | 3q | 1 | 210,000 |
| Inter. Nickel, pref. | 1½q | 1 | 133,689 |
| Inter. Paper, com. | 60cq | 15 | 60,000 |
| Lyall Construction | 3½s | 1 | 45,500 |
| Massey-Harris, pref. | 1¾q | 15 | 211,572 |
| Mont. W. & Pr., com. | 2% | 15 | 5,600 |
| Do. pref. | 1¾q | 15 | 8,750 |
| Mortgage Corp. | 1½q | 1 | 10,167 |
| National Brick, pref. | 1½q | 15 | 50,094 |
| Ontario Steel, com. | 1½q | 15 | 11,250 |
| Do. pref. | 1¾q | 15 | 13,125 |
| Penmans, com. | $1q | 15 | 64,518 |
| Do. pref. | 1½q | 1 | 16,125 |
| Pure Food Sts. 1st pf. | 1¾q | 1 | 2,625 |
| Do., 2nd pref. | 1¾q | 1 | 3,500 |
| Russell Motor, com. | 4y | 1 | 32,000 |
| Do. pref. | 1¾q | 1 | 21,000 |
| Standard Bank | 3q | 1 | 144,702 |
| St. Law. Flour, pf. | 1¾q | 1 | 10,063 |
| Stanfords, 1 & 2 pf. | 1¾q | 1 | 12,250 |
| Steel of Canada, com. | 1¾q | 1 | 201,250 |
| Do. pref. | 1¾q | 1 | 113,684 |
| So. Can. Pr., com. | $1 | 15 | 72,000 |
| Teck-Hughes | 10+5 | 1 | 713,571 |
| Western Trust | 2s | 1 | 20,100 |
| Weyburn Sec. Bank | 2½s | 15 | 13,112 |
| Wood, A. & Jas., 1 pf. | 1¾q | 1 | 11,375 |
| Wright-Hargreaves | 5cq | 1 | 275,000 |
| Zimmerknit, pref. | 1¾q | 1 | 10,500 |
| Total | | | $4,021,969 |

q—Quarterly. s—Half-yearly. y—Yearly.

**BOND INTEREST DUE IN FEBRUARY**

| Company | Rate | Int. Date | Due | Amount |
|---|---|---|---|---|
| Abit. Pr. & Pap. | 6 | 1 | Serial | $ 61,845 |
| Abitibi Fibre | 6 | 1 | 1947 | 120,000 |
| Anticosti Corp. | 6½ | 15 | 1941 | 195,000 |
| Atlantic Under. | 6½ | 1 | 1944 | 3,250 |
| A. W. P. Pulp | 7 | 1 | 1945 | 28,000 |
| Bloor St.-Geo. Real. | 7 | 15 | 1946 | 17,850 |
| Bishop Realty | 7 | 1 | 1947 | 10,500 |
| Canada Bread | 6 | 1 | 1941 | 30,744 |
| Canada Foundries. | 6 | 2 | 1942 | 6,717 |
| Can. Steamships | 5 | 15 | 1943 | 113,197 |
| Carleton & Ch. Ter. | 7 | 2 | Serial | 3,850 |
| Can. Nat. Rlys. | 5 | 1 | 1954 | 1,250,000 |
| Clyde & Sissiboo P. | 6½ | 1 | 1943 | 16,250 |
| Dom. Tel. Secs. | 5½ | 2 | 1978 | 27,500 |
| Drum. St. Rlty. | 6½ | 1 | 1942 | 6,500 |
| Famous Players | 6½ | 1 | 1948 | 36,270 |
| Holt, Renfrew | 6½ | 1 | 1937 | 17,712 |
| Interlake Tissue | 6 | 1 | 1935 | 9,120 |
| Lincoln P. & Pap. | 7½ | 1 | 1942 | 36,300 |
| Lower St. Law. Pr. | 7 | 1 | 1947 | 26,250 |
| Lyall Construction | 6 | 1 | 1932 | 13,902 |
| Lake St. John Pr. | 6½ | 1 | 1947 | 162,500 |
| Do., Mtge. Debs. | 6½ | 1 | 1942 | 97,500 |
| Maple Leaf Mill | 6½ | 1 | 1943 | 59,930 |
| Mtl. R'l & W. Ter. | 6½ | 1 | 1951 | 97,500 |
| Mount. View Apts. | 7 | 1 | 1946 | 10,500 |
| Nat. Grocers | 6½ | 15 | 1932 | 65,000 |
| Ott. & Hull Pr. | 6 | 1 | 1948 | 75,000 |
| Ouellette Apt. | 7 | 22 | Serial | 1,575 |
| Pacific Mills | 6 | 1 | Serial | 120,000 |
| Price Bros. | 6 | 1 | 1943 | 439,350 |
| Prince of W. Apts. | 7 | 9 | Serial | 1,400 |
| Rogers, Wm. A. | 6 | 1 | Serial | 7,950 |
| Suburb. Rap. Tran. | 5 | 1 | 1938 | 12,500 |
| St. Maur. Pr. | 6½ | 1 | 1953 | 293,364 |
| Van. Pr. Deb. Stk. | 5 | 15 | 1944 | 92,400 |
| Walmsley, Chas. | 6 | 1 | 1943 | 28,050 |
| Wayagamack | 6 | 1 | 1951 | 127,542 |
| Wood, Alex. & Jas. | 6 | 1 | 1944 | 11,385 |
| Wolthausen Hat | 7 | 1 | 1943 | 6,181 |
| Corporation Bonds | | | | $3,740,384 |
| Municipal | | | | x4,062,500 |
| Provincial | | | | x3,199,032 |
| Dom. Loan (N.Y.) | 5 | 1 | 1935 | 21,850 |
| Do., 1919 (N.Y.) | 5½ | 1 | 1929 | 1,350,000 |
| Do., 1926 (N.Y.) | 4½ | 1 | 1936 | 900,000 |
| Do. (1926) | 4½ | 1 | 1946 | 1,012,500 |
| Do. (1926) | 4½ | 1 | 1930 | 450,000 |
| Total | | | | $14,736,266 |

xFigure is determined by dividing by twelve the ultimate total interest payable during the year on these issues.

### JOINS TORONTO FIRM

Messrs. Stewart, McNair & Co., members of the Toronto Stock Exchange, announce that C. Len Wallace has become associated with their firm. Mr. Wallace, an ex-Warden of York County, is a son of the late Hon. N. Clarke Wallace, of Woodbridge, and is well known in Toronto financial circles, having been identified with the bond business here for many years.

# GEORGE H. SMITH MADE VICE-PRES.

## He Has Been With Canada Permanent for 45 Years

Following the annual meeting of the Canada Permanent Mortgage Corp. last week, it was announced that George H. Smith, general manager since 1922, had been elected vice-president. Mr. Smith has been general manager of both the mortgage corporation and Canada Permanent Trusts since 1922.

George H. Smith, who was born in 1866, joined Canada Permanent Mortgage Corp. as a stenographer when he was sixteen years old. Six years later he became secretary and successively was superintendent of branches and assistant general manager and, on organization of the Trusts Corporation, became its secretary-treasurer.

Mr. Smith also is president of the Dominion Mortgage and Investment Association. He has filled various high offices in the Masonic order. He is the father of eight children and his three sons all saw service overseas.

Hamilton's growth is seen in its purchase of another dozen street cars, following that of 24 last spring.

Once more the provincial surplus for the year is so substantial (at $3,045,054) as to enable the treasurer, the Hon. Jacob Nicol, to apply $1,000,000 of it towards the reduction of the general debt.

# Twenty-One Reasons for Maritime Union

## Well Known Nova Scotian Barrister Advocates Unification for Benefit of All and to Cease Dissipation of Resources and Energies

By HANCE J. LOGAN, K.C.

Sixty-four years ago Maritime Union was strongly advocated by such distinguished statesmen as Hon. Joseph Howe and Sir Charles Tupper and a conference was called at Charlottetown to bring it about. Afterwards it was agreed that the lesser union should remain in abeyance while Canadian Confederation was being consummated and in abeyance it has remained ever since. I submit we now should cease dissipating our resources and energies in three small camps and unite for the benefit of all.

I give the following twenty-one reasons for Maritime Union.

1. We are pushed out in the Atlantic and have interests in common.

2. We are provincially divided and unacquainted with each other and with each other's leaders.

3. The problems of the three provinces are almost identical. If united we would be represented in the Cabinet and Parliament at Ottawa by men representing Maritime interests in union without division, without jealousy or distrust.

4. We would have a policy in common instead of three governments often opposed politically and with different policies for the respective provinces.

5. Union would be our strength in Confederation against the rapidly growing West. In 1896 we had at Ottawa as many members of parliament from the Maritime Provinces as from west of Lake Superior. To-day we have less than one-half as many and after the next census our representation will probably be reduced to about one-fourth of that from the Western provinces.

6. Union would give us one set of Statutory Laws.

7. We would have the same court procedure, medical board, etc. Our barristers, doctors, dentists, etc., could practice and writs would run anywhere in the Maritime Provinces.

8. We would have one strong court of appeal with one set of law reports.

9. It would provide a higher education system with a minister of education and uniformity of text books, with a wider field for the activities of our teachers.

10. We could afford to maintain a Maritime agency in London and other centres.

11. Union would give us a common immigration policy.

12. Union would give us a common Workmen's Compensation Act and Public Utilities Board.

13. We would have a common technical, vocational and agricultural policy.

14. We would have one department of public health with a capable minister.

15. We would have our humane institutions under one head.

16. We would have one highway department with a common road policy for our trunk roads.

17. We would have a common policy for the attraction of tourists.

18. We would have higher credit in money markets and less expense in borrowing.

19. We could afford to establish a strong department for the encouragement and development of the fishing industry.

20. It would end the waste of money—which I venture to say amounts to more than half a million of dollars annually—in triplication of services in government houses and governors with their pomp, expenses, and glory, executives and legislatures with all their necessary machinery and departments with deputies, secretaries, engineers, superintendents, etc., etc.

We have now one hundred and nineteen elected members of the three legislatures to administer the affairs of about a million people. Ontario with three millions of people has a legislature of one hundred and nine. If Ontario were as over-represented as Prince Edward Island there would be one thousand members of the legislature of that province. We are being legislated to death.

21. It would give us one solid Maritime province—which I suggest be called the Atlantic Province—which would speak with one united voice upon matters affecting the interests of this wonderful part of Canada so blessed by Nature but so crippled by division.

# BROOKS HOLDERS BURY HATCHETS

## Agreement Ending Litigation, Putting Clarkson in Charge, Ratified

At the special general meeting of shareholders of Brooks Steam Motors, held in Toronto on February 3rd, the agreement whereby litigation between dissenting shareholders and O. J. Brooks was settled, was ratified unanimously. Under this agreement, G. T. Clarkson becomes chairman of the board with power to vote the common stock held by O. J. Brooks and Brooks Securities.

A certain amount of working capital is acquired through an agreement whereby O. J. Brooks pays $150,000 in three instalments, the first of which has been paid. Neither Brooks nor Brooks Securities is authorized to sell the preferred stock acquired by these payments until Mr. Clarkson announces that the steam bus is a probable commercial success. Mr. Clarkson told the shareholders that, from information he had gleaned, it might be judged that the bus could be developed.

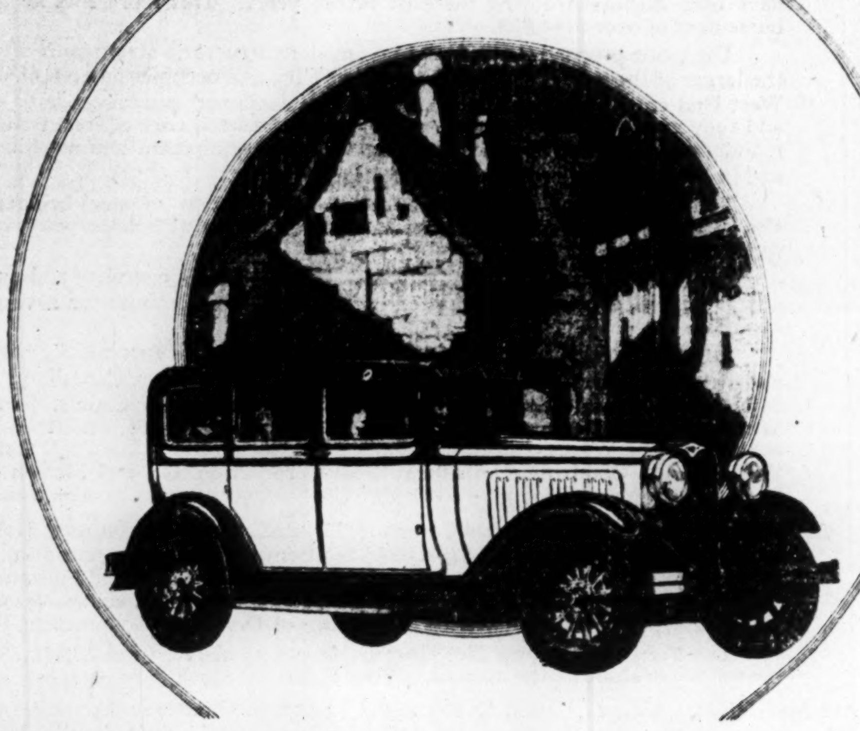
The meeting was peaceful.

# Toronto Brewing Business Increases Sixty Per Cent.

Business of Toronto Brewing & Malting has increased 60 per cent. in January, compared with any month of the last quarter of 1927, it is announced. Earnings are reported to be in the neighborhood of $1 per share.

This stock was offered the public at $12 the share about a year ago. Recent quotations have been $10, which is up one point from the low. The stock is traded on the Toronto curb.

SO ORIGINAL AND DIFFERENT
*that Comparisons are Impossible*



FRANKLY, The Victory has left current practice so far behind that comparisons are impossible.

Conservative drivers will never really discover the car's astonishing resources.

They will delight in its pick-up and low gas needs—its comfort and streamline beauty.

But the magnificent, all-day speed of the car—its faultless smoothness over clods and cobbles—are thrills that await the adventurer! Six powerful cylinders are six powerful reasons for this. A *seventh* vital reason is the basic Victory idea!

For the first time in motor car history, chassis and body are a unit. Floor and seats are built in the chassis.

The wide Victory chassis frame replaces the customary body sill—and eliminates the customary body *overhang*. The body itself has only 8 major parts!

The result is 175 less pounds, 330 less parts; standard road and head clearance, yet a car that is extremely low, steady and safe—with a power plant stripped for instant and brilliant action!

And the *smartest* car at the price ever created!

$1455
4-DOOR SEDAN, F. O. B. TORONTO
*Taxes to be added. Spare tire included*

DODGE BROTHERS (CANADA) LIMITED
TORONTO, ONTARIO

The VICTORY SIX
BY DODGE BROTHERS
ALSO THE SENIOR SIX AND AMERICA'S FASTEST FOUR

Summary of the Thirty-Ninth Annual Report
The DOMINION LIFE ASSURANCE COMPANY
HEAD OFFICE — WATERLOO, ONTARIO
For the Year Ending December 31st, 1927

| | |
|---|---|
| Insurance in Force | $107,364,499.00 |
| New Business Applied for | 26,028,216.00 |
| Total Income | 4,566,290.32 |
| Payments to Policyholders | 1,342,879.75 |
| Assets | 18,890,283.87 |
| Policyholders' Reserves | 13,440,804.00 |
| Policyholders' Surplus Fund | 2,090,421.17 |

For complete details concerning the Dominion Life achievement of 1927, write for a copy of our Annual Report.

IN the summary appearing above is to be found in brief the story of the Dominion Life's most successful year. Of interest not only to Dominion Life policyholders, but also to all those Canadians who appreciate the necessity of protection for home and family, each item represents a record of which the Dominion Life and its policyholders may well be proud.

To indicate the success achieved in 1927, as brought out at the Company's Annual Meeting held on February 10th, particular reference is made here to two significant features:

**$107,364,499.00** of insurance in force at the end of 1927 represents a notable increase during the past year. Every year thousands of Canadians have been added to those sharing in the benefits of sound, economic protection as provided by Dominion Life policies—to such an extent that the amount of insurance in force at the present time is more than double that of six years ago.

**$1,342,879.75** represents the total payments to policyholders and their beneficiaries throughout the past year. Told in figures this perhaps conveys little. It could be best told by those receiving the benefits—widows free from want, families provided with the necessities of life, elderly people living in independence, disabled wage-earners in receipt of incomes and policyholders sharing in Dominion Life profits.

The DOMINION LIFE ASSURANCE COMPANY
HEAD OFFICE — WATERLOO, ONTARIO

# Government Schemes of Annuity Payments Work Satisfactorily

## 8,500 Holders Are Registered in Department and Numbers Have Grown Tremendously Within Past Year—Many New Applicants Young People

From Our Own Correspondent

MONTREAL. — Up in a little fourth story room in Ottawa, there is the office of one who for nearly a year has taken under his wing one of the largest families in our Dominion. His name is E. G. Blackadar, and the family comprises the 8,500 holders of the Canadian Government Annuities.

Last year most of the members of this family gave their occupations to the department and they have been classified alphabetically. The list ranges from a university president to a boilermaker and includes some 218 occupations, including judges, ladies' companions, newsboys, miners, missionaries, egg graders, geologists, pedlars, speculators and turnkeys. There is at least variety in this family.

No one could say that Mr. Blackadar is not proud of his family. He not only takes a personal interest in every one of the 8,500 who may come to see him, but he follows their movements as they travel across the country or visit foreign climes. "As a matter of fact," says Mr. Blackadar, "there is nothing like an annuity to make people travel. Some members of our family change their addresses every three months and we no sooner get used to one address than they are off somewhere else, either visiting relations or else enjoying the steady income which they are guaranteed under our plan. Some of them get so used to moving about, and we get so used to them moving that they know exactly when to let us know so that we may be sure to get their cheque there on time."

"That is also one of the things we are very particular about. We always mail our cheques sufficiently ahead of time that they will be sure to get there on the very day that they are due. This is so important with us that time and again we get letters written to us if the cheque has been as much as a day late. I don't think it is so much a matter of complaining," he added, "as that they do love to write letters — particularly the ladies."

The Government Annuity family has grown tremendously within the past year and according to the Labor Gazette of last December, there were on November 30 some 8,574 annuitants on the roll, which represents an increase of 132 per cent. over the number on the books a year previous. Similarly, the sum of $2,174,400, which was received during the first eight months of the fiscal year, represented an increase of 83 per cent. over the amount received during the eight months period of 1926. Not only is this a very satisfactory increase, but the government is highly pleased with the fact that a very large number of the new applicants are younger people, who have been attracted to this form of saving and whom the government is delighted to welcome into its family.

It might be noted here that the government does not by any means wish to set up opposition to the insurance companies and for this reason their service confines itself to simple annuity plans without any insurance features such as are offered by the policies of this kind written by the life companies. The annuities are figured on a straight four per cent. basis and all the costs and expenses of running the system are taken care of by the government. Therefore, the proposition which the government has at the present time is an exceedingly attractive one in that it is an absolutely guaranteed contract and is not dependent upon fluctuations in the rate of interest or in the earnings of any company.

Perhaps the fact that Mr. Blackadar is himself an old insurance man, has something to do with the attractive way in which these annuities are presented to Canadian citizens and also to the fact that the government has more or less abolished the direct mail canvass in favor of the plan of maintaining a representative in the important cities of the Dominion who is able to make a personal contact with the applicant who writes to the government for information about the various kinds of annuity. At present, offices are maintained in Montreal, Toronto, Winnipeg, Victoria, Vancouver, and Quebec and although no business is as yet done in the Maritimes, it is the intention of the department to enlarge the service as soon as conditions warrant it. Altogether the government has on its books over $16,000,000 worth of annuity business, of which something like $3,000,000 was written in the past year.

### Confined to Canada

As the name implies, a government annuity is a fixed yearly income paid by the government to the annuitant. These annuities are purchased in the same way as one would deposit one's money in a savings account, the medium being the Post Office which, of course, exists in every city, town and hamlet in the country. No one residing outside of Canada may purchase these annuities with the exception of people who are temporarily domiciled elsewhere such as missionaries and so forth.

Annuities, as a whole, are divided into two classes. First, deferred annuities and secondly immediate annuities. The former class, of course, is intended for those who are earning their living and do not think of retiring for a good many years. This deferred annuity is offered by the government on four different plans, depending upon the circumstances of the annuitant. The first plan offers a two-fold protection which means that if death occurs before the annuity commences, all the money that has been paid in will be paid back to beneficiaries plus four per cent. compound interest. If, on the other hand, the age of the annuity is reached, there will be paid the amount of the annuity for the remainder of one's life. Payments, of course, cease with the last instalment prior to death.

A second plan of deferred annuity is one which offers largest annuity for the least money and is suitable for those who have no dependents, in that no money is returned until the period of maturity when permanent income is assured until death. Another plan provides for the payment of a certain sum whether to yourself in the form of annuity or to your beneficiaries in case of death. Of course, the added advantage of this last plan is that the beneficiaries will receive protection even if death occurs after the annuity has matured.

Still another plan is an annuity which is taken out by two people, such as a husband and wife, and the full amount is paid to the survivor.

### Immediate Annuities

The second class of annuity—immediate annuities — appeals, of course, to older people who have saved a certain amount of money and wish to retire. Through the purchase of an immediate annuity, the money will be invested at four per cent. and will be returned in quarterly payments commencing three months after the purchase date and continuing as long as the annuitant lives. This immediate annuity is also purchasable on three distinct plans.

One of the recent developments of this annuity scheme is the fact that the Province of Quebec has adopted the Federal Government Annuity system and has incorporated it as a pension plan for technical school teachers. This plan covers the teachers and professors of the Montreal Technical School, the Quebec Technical School, Hull Technical School and L'Ecole Polytechnique of the University of Montreal. It is intended to extend the plan so as to embrace the other technical schools in the province as soon as possible. Five per cent. of the teachers' salaries is deducted, with the Provincial Government contributing an additional sum equal to this five per cent. to go for premium payments. The annuity is to commence at the age of 65.

# Edmonton May Get Power from Calgary

From Our Own Correspondent

MONTREAL.—The Calgary Power Company will probably make an offer to supply the city of Edmonton with electric power, it is understood. The company has been steadily expanding its operations in the territory between Calgary and Edmonton by the purchase of private and municipal systems in this area. By next autumn, the company's main transmission line will reach a point about 30 miles distant from Edmonton.

# Canada Has Small Share British Capital Exports

## Amount Invested in Dominion in 1927 Was Less Than One-Sixth of Sum Placed in 1913

British capital invested in Canada in 1927 was less than one-sixth of the amount placed in 1913.

An analysis of the distribution of capital exports from the United Kingdom last year, prepared by the statist, shows that Canada received £10,419,432, as compared with £66,255,540 in the year preceding the war.

Of the amount allotted to Canada, £5,015,432 is credited to railways; financial, land, etc., £2,250,000; commercial, £2,206,000; tramways, £834,000; coal, iron and steel, £114,000.

The largest single Canadian financial transaction in London last year was that of the distribution of Canadian Pacific shares to holders of the stock on record. Some $32,500,000 ordinary capital stock of par value of $100 a share was distributed at a premium of $50 a share. As this is not new financing in the generally accepted use of the term, it has not hitherto been taken into account in estimating the amount of foreign capital invested in Canada.

The Port Alfred Pulp and Paper Co. was the leading industrial enterprise to seek funds in the British market. Approximately $4,850,000 was raised in London.

It is interesting to make a comparison of the borrowings of the British Dominions in the British market during 1927 and 1913. In both years, capital exports from the United Kingdom were practically the same.

In 1913, Canada received two-thirds of the total amount of new issues, while Australia, the next largest borrower, accounted for about 15 per cent. In the year just passed, the relative position of these countries was changed. Australia took last year about 37 per cent. of the capital exported to the Dom[illegible] while Canada received only [illegible] per cent.

# "Britain's Best Bacon Comes From Canada"

"Canada is now supplying the best bacon to the British market." This is the opinion of G. Huxley, Secretary of Publicity to the Empire Marketing Board, who is now en route to England after having visited the various British Dominions in company with the Hon. L. C. S. M. Amery, Secretary of State for the Dominions.

"In the past few months there has been a marked change in the attitude of the English housekeeper toward Canadian bacon," said Mr. Huxley. "Canadian exporters are paying more attention to the quality of bacon being shipped to the British market. Not only has its appearance improved, but there is more uniformity of quality. Consequently the demand has been steadily increasing.

"Danish bacon is still being imported in large quantities, but the Empire Marketing Board is devoting considerable attention to bringing the merits of the Canadian bacon to the English public. In this we are meeting with a certain amount of success."

The collapse of the British market for Canadian foodstuffs coincident with the British coal strike in the early part of 1926, has had a detrimental effect on the progress of the packing industry in this country. It is realized, however, that it will be some time before that market regains its old position. The purchasing power of the English working man has fallen off sharply and it is not to be expected that imports of bacon will resume their volume until such time as the industrial situation in England is further improved.

During the past year Canada exported 58,674,000 pounds of bacon and hams, valued at $12,421,755. This compares with 93,185,000 lbs., worth $22,768,782 in the year previous. About eighty-five per cent. of these exports are destined for the United Kingdom.

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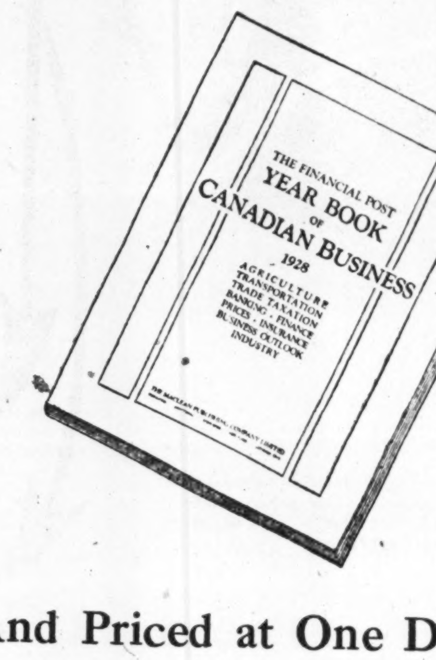


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NEW ISSUE

$2,250,000
# Hamilton Bridge Company, Limited
## 6½% Cumulative First Preferred Stock
($100 Par Value)

The Cumulative First Preferred Stock presently offered will be fully paid and non-assessable; preferred as to capital and dividends redeemable in whole or in part at the Company's option at $110 per share and accrued dividends; in the event of liquidation is entitled to par and accrued dividends together with, if such liquidation be voluntary, a premium of 10% of the par value; dividends quarterly on the first days of February, May, August, and November; the first dividend to accrue from February 1st, 1928. Dividends may not be paid on the Common Stock if the net working capital be less than $1,000,000, or if such payment would reduce the net working capital below $1,000,000.

The holders of the First Preferred Shares shall not be entitled to vote at any meeting of shareholders except (1) when four quarterly dividends shall be in arrears and thereafter so long as any quarterly dividends are in arrears; (2) upon any increase or reduction of the authorized Capital Stock of the Company (3) upon any issue of bonds or other securities secured upon the assets of the Company (except security upon moveable or personal property given by the Company to banks to secure the Company's indebtedness to such banks) which issue must be approved by the favourable votes of the holders of at least ⅔ of the combined First and Second Preferred Shares.

*Transfer Agent* Royal Trust Company Montreal — *Registrar* Montreal Trust Company Montreal

CAPITALIZATION

| | To be Authorized | To be Issued |
|---|---|---|
| 6½% Cumulative First Preferred Stock | $5,000,000 | $2,250,000 |
| 7½% Cumulative Second Preferred Stock | 800,000 | 800,000 |
| Common Stock (No par value) | 100,000 shares* | 50,000 shares |

*Of the present authorized amount of Common Stock, 32,000 shares to be reserved for the conversion of the 7½% Cumulative Second Preferred Stock—conversion to be at the option of the Second Preferred Stock shareholders and on the basis of four shares of Common Stock for each share of Second Preferred Stock.

*The following information has been summarized from the letter of Mr. W. I. S. Hendrie, Vice-President of The Hamilton Bridge Works Company, Limited, who will be President of the New Company.*

COMPANY AND PROPERTIES: Hamilton Bridge Company, Limited, to be incorporated under the laws of the Dominion of Canada in 1928, will acquire as a going concern, the assets and undertaking of The Hamilton Bridge Works Company, Limited.

The Hamilton Bridge Works Company, Limited, with its predecessor company, has been in successful operation for the last thirty-three years. Throughout this time a large proportion of the earnings have been spent on improving the plants and enlarging them to their present capacity. In addition to plant expenditures, dividends to the amount of $2,174,000, (including a stock dividend of $280,000), have been disbursed during the past fifteen years. This represents an average yearly dividend disbursement of over $144,933.

The plant properties consist of two modern structural steel plants situated in Hamilton, Ontario; the larger of these is in the East End of the City and occupies an area of sixteen acres, the other in the West End covers an area of nine acres. The combined annual capacity of both plants is 48,000 tons and they employ about 700 men. All the main buildings are of steel frame construction with concrete foundations and have been well maintained. The equipment and machinery in both plants is modern and in good working order in every respect.

The chief business is the fabrication and erection of steel bridges, steel frames for buildings, also railway turntables, steel tanks, steel telegraph and telephone poles, intake pipes, towers for water works, etc.

For railroad work and other purposes, there is a most complete and up-to-date erection equipment, and the erection of material fabricated in the plants accounts for a very appreciable portion of the business.

The Hamilton Bridge Works Company, Limited, has successfully carried out contracts for bridge and structural steel work for the Canadian National Railways, Canadian Pacific Railway, Temiskaming & Northern Ontario Railway, Department of Railways & Canals, Canada, Department of Public Works, Canada, Departments of Public Highways of Ontario, Manitoba, and Saskatchewan, Department of Public Works, Ontario, Algoma Steel Corporation, The Steel Company of Canada, Canadian Westinghouse Company, Bethlehem Steel Corporation, General Motors of Canada, Hamilton Street Railway Company, and many others.

ASSETS: The Canadian Appraisal Company, Limited, value as of January 21st, 1928, the real estate, buildings, plant and equipment, at $2,447,813.54 after providing for depreciation. The annexed Balance Sheet certified to by Messrs. Creak, Cushing and Hodgson, Chartered Accountants, as of December 31st, 1927, after giving effect to the issue of the present securities, shows Net Current Assets amounting to $962,772.87, of which $299,204.00 is made up of Dominion Government Bonds.

The Fixed Assets plus Net Current Assets as above, total $3,410,586.41, which is equivalent to over $150 per share on the amount of First Preferred Stock to be presently issued.

EARNINGS: Messrs. Creak, Cushing and Hodgson, Chartered Accountants, certify as follows: "The net earnings of the Hamilton Bridge Works Company, Limited, for the eighteen years ending December 31st, 1927, (1910-1927), after charging maintenance, depreciation, and taxes, have averaged $160,644.32.

"For the year ending December 31st, 1927, after charging maintenance, depreciation, and taxes, the net earnings amount to $300,317.67, equivalent to over twice the dividend requirements of, $146,250, on the amount of First Preferred Stock to be presently issued.

"After providing for dividend requirements on the First and Second Preferred Stock issues, the net earnings for the year ending December 31st, 1927, are equivalent to over $1.85 per share on the Common Shares to be presently issued."

ESTIMATED EARNINGS: Based on orders now on hand and those in prospect, it is estimated that the net earnings for the year ending December 31st, 1928, will amount to $410,000, which is equivalent to over 2¾ times the First Preferred dividend, and after providing for First and Second Preferred dividends, a balance will remain equal to over $4.00 per share on the Common Shares to be presently issued.

MANAGEMENT: The operations will continue under the direction of Mr. W. I. S. Hendrie, as President, and Mr. W. B. Champ, as Vice-President and Managing Director.

**Price par and accrued dividend, with a bonus of 2½ Common Shares with each ten shares of Preferred**

**Fractional Common Shares will be adjusted at $25 per share**

*These shares are offered for sale if, as and when, received by us and subject to legal approval of Counsel*
It is expected that interim certificates will be received on February 17th, 1928.

DRURY & CO
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STATEMENTS WHILE NOT GUARANTEED ARE BASED UPON INFORMATION WHICH WE BELIEVE TO BE RELIABLE
February 7th, 1928

*Toronto Starts Trading in Shares of Mond Co.*

# CANADIAN MINING NEWS

*Regular Weekly Department of The Financial Post*

*Substantial Advances in Alberta Oil Shares*

## Mond Nickel Ordinary Can Now be Traded on Toronto Market

### Initial Trading is Ranged Around $35 for £1 Shares

### POSITION STRONG

### Company's Ore Reserves Are Large and Frood Extension Venture Holds Much Promise

Mond Nickel ordinary shares have been admitted to trading in Toronto Ont. market. Thus shares of Canada's second big nickel company are made available to Canadians. In the past it was possible to trade in Mond only in London and while Canadians have been heavy buyers, their experience in London buying has not been the most satisfactory as it has been difficult to keep in touch with the market.

The Financial Post first called attention to the strong position of Mond Nickel and its interest in the Frood deposit on June 17 last year. The shares were then being traded in around 37 shillings. The latest quotation available showed the shares ranging around 160 shillings and London says that Canadian buying has been responsible for a good measure of the advance. Trading in Toronto is around $35 a share indicating a decline from the London high of 159 shillings.

**Compared with "Nickel"**

Mond Nickel is not as large an operation as International Nickel. Roughly its position, as compared with "Nickel" may be sized up as follows:

Its gross production has been about one-third. Its capitalization about one-third but its net profits about one-half.

Standing ahead of Mond Nickel ordinary shares are several issues of debentures and preferred stocks. These are listed in the adjoining column.

Mond Nickel operates Garson Mine. Levack mine owns the now wrecked Worthington mine and the abandoned Victoria Mine and Frood Extension which it is developing.

**40 Years Old Reserve**

At the last annual meeting it was stated that the company has over 40 years ore reserves. This fact was first published by the Post in its June 21, 1927 issue. It is not believed that in estimating reserves, Dr. C. V. Corless included Frood Extension. At that time the Frood Extension had been opened to a depth of 2,000 ft. The real rich ore, now known to exist in the deposit had not been encountered but officially the Post was later informed that at a depth of from 3112 to 3238 ft. a diamond drill had indicated 70 ft. of ore with values of approximately 22% copper and 1½% nickel. This ore is supposed to carry attractive values in platinum metals.

The remarkable thing about the ore is the tremendous increase that has taken place in the copper content. Down to 2000 ft. it was quite a massive low-grade deposit. running about 2% nickel and about the same in copper.

**Dips Toward Sudbury**

The Frood deposit has a length on surface of about a mile. It dips to the north-west or towards the centre of the Sudbury basin, as does Copper Cliff, Murray and Creighton deposits. The Frood dip at 2,000 ft. is about 60 degrees and so on the Mond property, called Frood Extension, the Frood body had been carried sufficiently far N.W. to give Mond a length of 1200 ft. on the 2000 ft. horizon, and the deeper it gets, with the dip maintained, comes this portion of the deposit, which is about the centre, further over into Mond ground.

Reading Dr. Coleman's reports on Sudbury, and studying his theories, present some interesting phases.

If the deposit is in a basin, as Dr. Coleman suggests, the conclusion would be that the north deposits, such as Levack mine and other undeveloped showings over towards Capreol are on the north rim of the Norite. This suggests the possibility that such deposits as Frood, Murray, Creighton, Copper Cliff—all dipping N.W. towards the centre of the basin, may carry through under the slates and outcrop again somewhere on the north rim of the Norite. In other words the Levack deposit on the north may be the outcrop carried under the slates of one of the large deposits on the South-easterly rim of the Norite. The big question would be, how deep would it carry too under the slates, and secondly what would the values be.

**Sensational Feature**

Frood deposit increased its copper values at least 10 times between 2,000 and 3,100 ft. and the improvement kept pace at depth for some distance. As will be proved or disproved in the next year or so, it will add another sensational feature to an already sensational ore body and opens up possibilities of mining down to 8000 to 10,000 ft. and perhaps deeper. Hon. Chas. McCrea said that his advisors tell him that mining to such depths may be possible in Northern Ontario, as so far no change in rock temperatures has

(Continued on page 24)

### Nickel Slack Yields

Mond Nickel is being traded in on the Toronto Curb at $35. Mond pays on its ordinary shares 12½ per cent., that is 2s. 6d., which is 62c. At its present quotation of $35 the yield is about 1¾ per cent.

International Nickel is hovering around 100 and at that level gives a yield of 2 per cent., that is $2.

### Capital Structure of Mond Nickel Co.

**Has Not Missed Dividend or Common Since Starting Payments**

| Capital | Authorized £ | Issues £ |
|---|---|---|
| Deb., 5½% mortg. off 1925, at 97% redeemable par, 1957, cum. rad. fund 1½% p.a. from May, 1927. Int. May - Nov. Annual drawings at par or on market. Further £750,000 may be created ................ | 1,000,000 | 1,000,000 |
| Deb. 5% 1st mortg., red. 105, Jan., 1935, or on 6 mos. notice by draw or market pur. or in whole. Int. May-Nov. ................ | 375,000 | 375,000 |
| 7% non cum. pref., par £1, fully paid, ranking 3rd for div. and capital without further participation. Divd. Mar.-Aug. .......... | 2,000,000 | 2,000,000 |
| 7% cum. "A" pref. £1 fully paid; issued July, 1925, at 225, 6d, ranks 2nd for div. and repay at 22s. 6d. without further participation | 1,500,000 | 1,250,000 |
| 7% cum. pref. £1 fully paid, 1st for div. and priority of cap. up to £1. 10s. per share .. | 500,000 | 500,000 |
| Ordinarily £1 fully paid | 900,000 | 900,000 |
| | 6,275,000 | 6,025,000 |

**Common Dividend Record**

| Year | % | Year | % |
|---|---|---|---|
| 1905 | 6 | 1917 | 20 |
| 1906 | 10 | 1918 | 20 |
| 1907 | 12½ | 1919 | 17½ |
| 1908 | 15 | 1920 | 17½ |
| 1909 | 15 | 1921 | 5 |
| 1910 | 15 | 1922 | 7½ |
| 1911 | 16¼ | 1923 | 10 |
| 1912 | 16¼ | 1924 | 12½ |
| 1913 | 21¼ | 1925 | 12½ |
| 1914 | 35 | 1926 | 12½ |
| 1915 | 20 | 1927 | 12½ |
| 1916 | 20 | | |

Mond Nickel Co., registered 1914, succeeded company of same name, 1900 register. Capital increased 1918, £2,400,000 to £3,400,000; July, 1925, to £4,900,000 (a pref. created). Outstanding 8% mortgage stock holders £1,300,000 (due Nov. 1, 1941) offered 1925. £100 new 5½% mortgage and £9 cash or 90 7% cum. A pref. plus £4, 15s. cash for each £100. 8% converted £837,246, redeemed at 104%, Jan. 2, 1926; £462,754.

Reserve £160,000; bal. fwd. £48,212 after writing off £56,992 capital issue expense.

## DRILL CONTRACT TO BE PLACED BY BUSH MINES

### Financial Position is Excellent With $250,000 in Treasury

Directors of Bush Consolidated Mines, Portland Canal, B.C., have decided to place a contract for 30,000 ft. of diamond drilling. The drilling will be done in three places. The first work will be on the Sunshine group which adjoins the Extenuate group on the east and on which a high grade discovery was made last year while a crew were diverting some water. Woodbine Extension group which is just over the boundary into Alaska and which has just been acquired, giving Bush Consolidated a solid block of 50 claims in Alaska, will also be drilled. The expectation here is that they will be able to pick up the extension of the wide and rich body which Woodbine has picked up. The third drill location will be in the tunnel which is now being driven to cut a porphyry zone on the claims north of the National Silver group.

The company's financial position is excellent. It has about $250,000 cash in the treasury, 2,000,000 unissued shares and also holds 212,000 shares of Geolgia River Mines which stock recently sold up to $1.25. This property is said to be opening out like a jewellery box.

## GROUP IN TORONTO FINANCES GEM LAKE

### Operations Are Expected to Get Under Way Very Soon

Gem Lake Mines, Central Manitoba, controlled by a Winnipeg group, is being financed by a Toronto group and will soon have operations under way. C. S. Morrow heads the Toronto syndicate while it is said that Major T. C. Anderson, vice-president Central Manitoba Mines, has taken up a substantial block of the stock.

Gem Lake Co. holds 46 Manitoba claims and 13 over the Ontario boundary. Douglas Wright, M.E., examined the ground for the Toronto people and said that what had been accomplished to date had only been hasty prospecting of the holdings, clearings and cross-trenching into the main discovery, as well as the sinking of several shallow shafts and test pits to ascertain the continuity at depth of the quartz lenses. These, the report says, have disclosed gold bearing quartz at lenticular veins which range from a few inches to several feet in width. Native gold occurs near fractures in the vein quartz. From the samplings, Mr. Wright concludes that the gold values are confined to the quartz and that two generations of quartz found carry appreciable values in gold. He recommends extensive surface development before a shaft is sunk.

## HOLLY MINE IS SHROUDED IN SILENCE

### Word of Progress of Development Work is Awaited Eagerly

### TIMMINS IS AGOG

### Doubtful if Any Information Will be Given to Public Until Shareholders Receive Annual Report

From Our Own Correspondent

TIMMINS.—Word of the progress of Hollinger's development work on its Kamiskotia property is eagerly awaited by the general public, particularly at Timmins. The officials of the company, however, continue a policy of silence as to what is actually being accomplished, and it is doubtful if any information will be given the public until the annual report goes forward to shareholders. The report should be ready within a few weeks.

A favorable report will have a very wide effect on Timmins. At the time of the big rush into Kamiskotia, citizens of Timmins from almost every walk of life went into the district in waves, and every bit of promising ground was staked. Since that time the prospectors have been sitting tight awaiting developments. Because the district is heavily timbered, the government waived the necessity of assessment work during the past year, in order to minimize the fire hazard. This has suited the prospectors down to the ground, as they have been enabled to maintain their title to their claims with the minimum of expense.

Meanwhile they have awaited a report on Hollinger's development with vivid interest, as word of favorable results obtained would have a decided effect in increasing the attractiveness of their own holdings and tend to attract outside capital to this district.

A strongly founded rumor persists that a railway into Kamiskotia is assured, and that the work of extending the T. & N. O. into the field will probably get under way this coming summer. The report has it that the line will be built through to Kapuskasing, and be carried on through to link up with a northern extension from Cochrane into the James Bay district. If such be the case a great deal of valuable timber land will be opened up as well as a promising mineralized area.

In addition to the Hollinger, the Elgin-Kamiskotia Mines, the Aconda, the Mineral Belt Mines and others, are carrying on exploration work in this district, while several others are preparing to do so.

With a railway assured, Timmins will become an important distributing centre, and an extensive growth of this thriving Northland city may be anticipated.

### Another Operation Near Sherritt-Gordon

A diamond drill has been shipped by express to The Pas and will be taken by team to the Smith-Pride property, 3 miles west of Sherritt-Gordon property in Northern Manitoba.

A syndicate headed by John Callinan has secured control of the group of 25 claims on which an attractive showing of ore has been opened up in a 30-ft. trench, giving values up to $17. Camps are being erected and drilling will be started as soon as possible.

## DRILLS AND PLANT FOR CALLINAN CO.

Callinan Flin Flon Mines has shipped in a mining plant to the Baker-Patton property, one of its groups near Sherritt-Gordon, and is preparing camps at its property next the Flin Flon for two diamond drill crews that are to start drilling as soon as possible.

Engineers, who have studied the area, say they are satisfied that the Callinan operation will get ore in the bed of Flin Flon Lake and it is the intention to start one of the drills working on the ice at once.

The Baker Patton property was diamond drilled last year and 40-ft. of 4 per cent. copper ore was cut. The plant being installed is to develop this. Callinan Flin Flon is well financed, the cash position of the company being close to a half million.

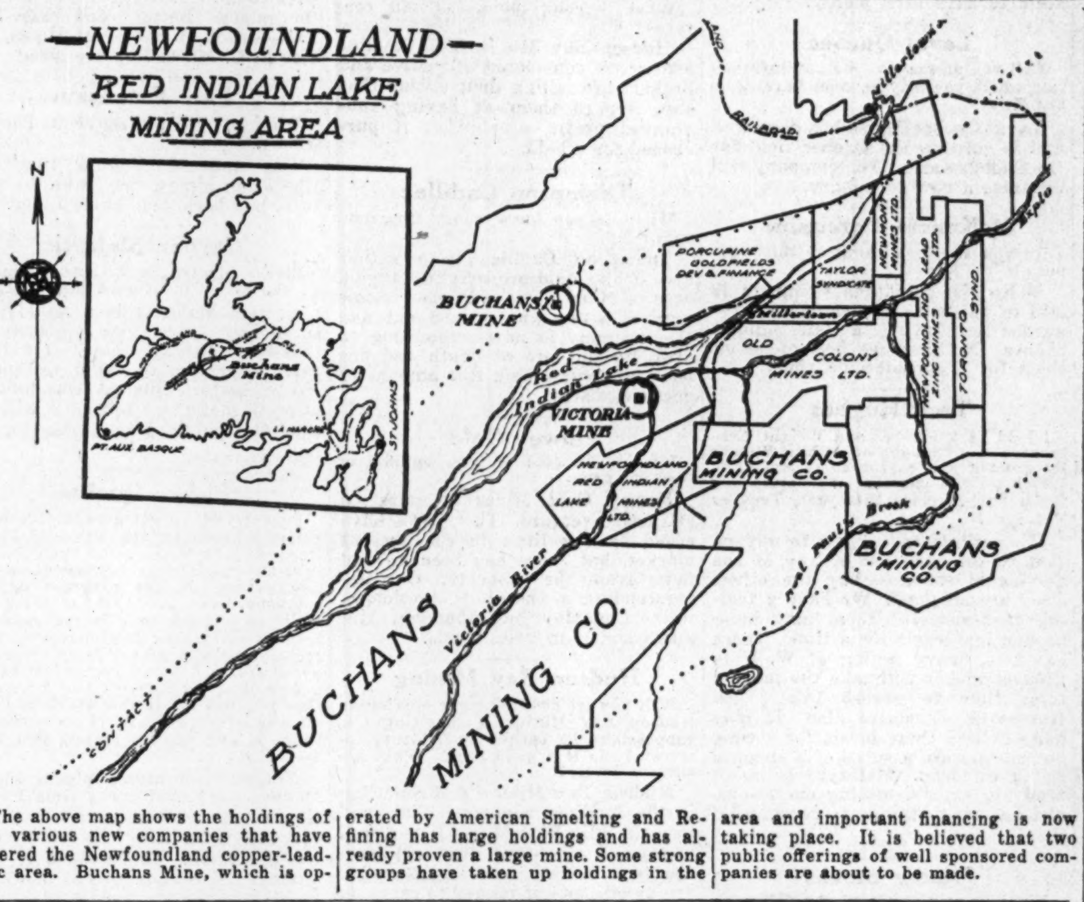
### Malartic is Hovering Around Dollar Mark

Malartic Gold Mine shares are hovering around the dollar mark. This Quebec gold operation has been one of the features of an otherwise rather soft market. Malartic is operating the Kennedy Sladen property in Fournier Twp., N.W. Quebec. Porcupine Goldfields did considerable drilling on this group and an engineer who visited the property about that time expressed the opinion that it would open up well.

Late developments would seem to indicate that he was right. It is understood that some very excellent ore has been crosscut underground and that this ore is now being drifted on. No official statement has as yet been given out.

### Toronto Mining Group Takes Option on Kozack

A group of Toronto mining men have taken an option on the Kozack property in Goudreau. They plan to sink on the high grade silver showing which has attracted so many to this operation.




The above map shows the holdings of the various new companies that have entered the Newfoundland copper-lead-zinc area. Buchans Mine, which is operated by American Smelting and Refining has large holdings and has already proven a large mine. Some strong groups have taken up holdings in the area and important financing is now taking place. It is believed that two public offerings of well sponsored companies are about to be made.

## Good Things Predicted for Northern Manitoba

### Flin Flon, Sherritt-Gordon, Callinan and Baker Patton All Augur Well—Big Increase in Number of Operating Properties May be Expected

Big things are being predicted for Northern Manitoba area this year, and a big increase in the number of adjoining properties may be expected. At the present there are four known concerns, Hudson Bay operating the Flin Flon; Sherritt-Gordon at Cold Lake, 35 miles north of Flin Flon; Callinan Flin Flon operating a large group around Flin Flon mine and the Baker Patton which is not far from Sherritt-Gordon and which gave sensational values on surface, and the Mandy. This latter was a shipper of high-grade copper during the war, when it was operated by the Tonopah of Nevada and Philadelphia. A new deal has been made by Fred Connell and the property will be re-opened. There are rumors of another important deal in the Sherritt-Gordon section but full details are not as yet available.

## *Agitation is Proceeding to Change Staking Law*

An agitation is going on for a change in the Federal law in regard staking claims. The regulations at present allow a single line. The Ontario law is for four lines. Another feature of the Federal law is that applying to assessment work to the end that those doing assessment work would have to do real work instead as at present when about all that is necessary to do a year's work is a few sticks of dynamite, the law calling for the displacement of so many tons of rock.

## FAMOUS MANDY COPPER PROPERTY WILL BE OPERATED

### Shipped High-Grade Ore from N. Manitoba During War Period

The boom in Northern Manitoba properties has resulted in an amalgamation of a group of 23 claims, including the old Mandy property into Mandy Mines and plans for the operation of the same will be decided upon late this week.

The old Mandy was a war-time sensation because of the richness of its copper ore, which ran around 20 per cent. of copper and $4 or $5 in precious metals, mostly gold.

By open cut work 25,000 tons of this ore was teamed to river and brought by barge to The Pas, a round-about distance of 150 miles, and there loaded on cars, shipped to Consolidated Smelters large plant at Trail, British Columbia, and after all these charges were met, freight and smelter costs, it yielded a handsome profit for the Tonopah Co., of Nevada and Philadelphia.

Copper prices ruled high in those days, but they slumped, and though there remained a known tonnage of 100,000 tons, estimated worth $40 gross to-day, the property had to be shut down.

**Lense is Shallow**

It is generally believed that the Mandy lense is something like the Buchan's ore body in Newfoundland, quite shallow, Tonopah did considerable diamond drilling and finally restricted the known ore to a limited area. However, there are excellent chances of other parallel lenses and also great possibilities of other lenses at depth.

The estimate of 100,000 tons of proven ore as given out by the sponsors of the new company, is conservative. Government officials estimate considerably more.

J. M. Connell and J. H. C. Waite, of Toronto, are responsible for reviving the operation. They have taken the old Mandy, the Canadian Tonopah's holdings and others making 23 claims, 1,000 acres.

**Found 12 Years Ago**

Two prospectors, Reynolds and Jackson of The Pas, staked the Mandy in 1915 and through Geo. Bancroft and J. E. Spurr, interested the Tonopah people in it. A shaft was sunk 200 ft. but the deepest lateral work was around 100 ft. and that was quite limited.

W. H. Hachnlen, president of Tonopah Co. will be president of the new company. M. B. Huston, chief Tonopah engineer will be vice-president and other directors will be G. W. McDougall and Messrs. Connell and Waite.

Plant and equipment is to be sent in to the property and operations pushed ahead. The company is to be capitalized at $3,000,000. $1 par. They will issue 2,500,000 shares for the property and put $750,000 in the treasury. There will remain 500,000 shares for future financing.

## PROMISING GOLD OPERATIONS MARK SUDBURY ORE ZONE

### One on Each End of Basin and Both Have Opened High Grade

Not a little interest is attached to two operations in the Subbury area, McMillen Gold Mines and Crystal Comstock. They are the only gold ventures in this section which Hon. Chas. McCrea told the writer some time ago held excellent possibilities for an intelligent hunt for gold.

Another feature about these two operations is that one is at one end of Sudbury basin, and the other at the other extreme.

Crystal Comstock is at Whanapitae Lake on the east end of the Basin. It was operated in the early days and produced some tremendously rich ore. The geology of Northern Ontario gold ore zones was little known in those days. However, those in control here studied the situation closely and on finding a porphyry body recently, decided to immediately diamond drill through the lake. As soon as the snow is off the ground, further surface work will be done.

Meanwhile Crystal Co. has acquired another spectacular group, in Parkin Tp., north of the Crystal and samples of ore showing live quartz full of slugs of gold have been sent to Toronto. This holding will give the company 507 acres in all.

On the McMillen to the west of the basin at West River, high grade has also been opened up. Underground work is proceeding and the vein shows an increased width at the third and fifth levels.

The shaft sunk to a depth of 550 feet, was completed during December and since then an extensive program of cross-cutting and drifting has been carried on with the above result.

The company, which is financed by New York capital, owns and has under option twenty-eight claims in the township of Mongowin. Five diamond drill holes were sunk in 1926, the result of which warranted the present developments. Surface showings were high on two well defined veins of good width and length.

## NEW OPERATIONS WILL BE STARTED KIRKLAND LAKE

### Endeavor to be Made to Pick Up Ore Break

### NAME NOT SETTLED

### Ground is Adjacent to Tough Oakes, Burnside and Gull Lake

One of the last large blocks of ground close to the Kirkland Lake producers and in line of strike with what is considered the main break of the Kirkland Lake camp has just been organized into a company and an aggressive mining operation will be launched immediately.

The ground is adjacent to and immediately east of Tough-Oakes-Burnside, and takes in a good portion of the western part of Gull Lake. The claims include the Bryce claim, London Gull Lake claims and one other. The welding of these various holdings brings together quite a group of strong mining and financial men.

**Name to be Announced**

The name of the company has not as yet been announced, but this is expected to be forthcoming shortly along with the names of the directors and engineers. It is understood that the board will be a strong one, and that one of the leading geologists will be in charge of the work.

Some shallow diamond drilling was done on part of the property some years ago and encouraging results met with. J. McPhee, manager of Bidgood Mines, did considerable surface work a few years ago for the John Taylor interests, who control the London Gull Lake Mines and uncovered a couple of interesting showings near the Tough-Oakes boundary.

The launching of operations on this property will prove of wide interest to the whole of Kirkland Lake camp. For a long time it was contended that the main break of the camp continued north and into the Continental ground. The Continental practically disproved this theory. Recently the company was reorganized and has now launched operations to pick up what is now popularly believed to be the strike of the zone, and its location will be immediately adjacent to the holdings of the new venture.

Many have watched Tough-Oakes operations to the east of the dyke or fault which is believed to have displaced the ore zone. The general opinion is that it was shifted south. There have been some important discoveries made of late on Tough-Oakes and the feeling is that all that is necessary is that operations go to depth. However, the position of the new operation, located as it is to pick up the eastern extension of the break, will make it rank as a highly important operation for the camp.

It is understood that this situation dictated those in control in securing the service of one of the best geologists and engineers available to take direct charge and a good engineer will be placed in charge as resident manager. This will make three important groups seeking the eastern extension of the break and when one finds it, the others have a good chance of picking it up.

### Kirkland Lake Gold Wants to Increase Daily Tonnage

Plans are said to be under way to increase Kirkland Lake Gold's mill tonnage by 50 or 100 tons daily. It is now handling about 150 tons.

Underground work is now proceeding on the 2725-ft. level and it is expected that the ore will be encountered in the drift about 120 feet from the shaft or winze.

## *One Million Tons of Ore Opened Up at Errington*

Errington Mines, Sudbury area, west of Chelmsford, has opened up 1,000,000 tons of $20 ore in vicinity of No. 1 shaft, and this shaft is only down 300 feet.

No estimate of ore around No. 2 shaft is made. It is 4,000 feet from No. 1 and both will be connected to No. 3 shaft, which is planned to open up additional rich ore, cut by diamond drill farther east.

These facts, recently given out at San Francisco by Pres. F. W. Bradley, of Bunker Hill Sullivan Co., are quite inadequate to size up the operation in full, but when it is considered that one million tons of ore is blocked out down to 300 feet around one shaft, and that two other shafts may open up as much, if not more, it is realized that a mine of great magnitude is in the making. A feature to conjure with is how deep will the slate formation in which these bodies are located, continue down. Some suggest 10,000 feet.

## *Canada May be Second World's Gold Producer*

Canada will soon take second place in world gold production, if the steady decline in U. S. production continues, says Engineering and Mining Journal, New York, in its annual review of the mining industry.

Canadians have been predicting that Canada would soon step ahead of the U. S. but this is the first statement of this kind to come from the U. S.

The article states that if production of gold in U. S. continues to decline in the fairly steady fashion that has obtained since 1915, when it amounted to $101,035,700, "This country will lose second place in the production of gold to Canada, which is yearly increasing its production."

U. S. gold output in 1926 was $46,276,299 and Engineering and Mining Journal expects 1927 official figures to show a further decline.

## Strengthen Harvie Administration by Adding Executives

### Internal Re-alignment Will Place Operation in Strong Position

### ASSETS GROWING

### Company Has Interesting Holdings Outside Its Clericy Situation Which is Well Financed

From Our Own Correspondent

MONTREAL.—Harvie Mining Co. has now come under the active control and direction of a group of successful business men whose names have stood for success and who should provide efficient management of the highest order. A recent bulletin announced the appointment of an executive committee composed of Austin Ekers of Ekers, Cushing and Company, Montreal, and a member of the board of governors of both Montreal Stock Exchange and Montreal Curb Market: Thomas Arnold, president of Taylor and Arnold Limited, and of the Manitoba Steel Company; and Major D. F. O'Donahoe, D.S.O., of the Montreal Securities Corporation. With such a group of men in active control, it is said, that section of the public which worries about management can well afford to pack away their fears.

The Clericy stocks in common with 90 per cent. of the list have been depressed recently, but, nevertheless Clericy is getting more honest to goodness development from a prospective standpoint than all the rest of the Rouyn area. In fact, one leading mining broker was heard to remark that the future of public interest in the Rouyn field for the next couple of years rests with Clericy and particularly with Harvie.

**Public Loses Interest**

It is a curious fact that the public loses interest in a mining camp when the known mines get into production and there seems little chance of new and exciting discoveries. This is precisely the condition in the Rouyn field today with the exception of the Clericy district and those who know Clericy best believe in it and are backing their belief with solid constructive work of the kind that finally makes mines.

Clericy is like Kirkland Lake with a number of Companies working on a single "break" or formation and results on one operation help the others. There is ample evidence of mineral disposition to justify the faith and hope of those who believe in it. That it presents a problem and can only be regarded as a mining possibility until that problem is solved is undoubtedly true, but the familiar example of Teck-Hughes with many years of heart breaking struggle before it could be classed as a mining success can be cited as a case in which a few men of faith and determination, ignoring the attitude of most of the mining world, worked through to a great success which has resulted in the complete revival of parts of the Kirkland Lake field which years ago were abandoned as hopeless.

Harvie, of course, is the leader in Clericy and is working away steadily opening up a high grade deposit which looks promising. The management, however, are saying very little and the public will probably hear very little until the dimensions are clearly established. The directors are taking well directed and careful steps and are determined that if there is a commercial body of ore in the property it will be located and there is reason to believe that they will succeed.

It is reported that Harvie shareholders will be agreeably surprised

(Continued on page 24)

### Production of Copper is Behind Consumption

Frequently the point is raised as to what Canada is going to do with all the copper it promises to produce. They contend that there is a great overproduction of copper now. Discussing this phase of the situation, Wall Street Journal says: "Production of copper is running behind consumption by a small but apparently increasing margin, causing a steady decline in stocks on hand, a review of the statistical position of the copper industry shows. On November 1st, stocks on hand in North and South America stood at 329,944 short tons, the lowest since September of last year."

## OIL STOCKS ARE REVIVING AT CALGARY

### Mining Share Boom at Vancouver is Reflected in Alberta

### PRICES RISE 50%

### Turner Valley is Centre of Imperial Oil Explorations for Natural Gas

By C. A. HAYDEN

CALGARY.—The long and severe winter has proven a harvest for Alberta's domestic coal mines whose operations began early and have continued without intermission. Steam coal mines have also done well and the excellent crop of 1927 produced a traffic movement that demanded a heavy tonnage for railway and commercial requirements. It is estimated that Alberta's coal output in 1927 was near 7,000,000 tons. The labor situation has been quiet. A short strike affecting several mines in the Drumheller Valley petered out when the remaining miners refused to go out and continued operation.

The campaign of the domestic coal products to secure entry into the Ontario market has been pressed vigorously. The Board of Railway Commissioners at a hearing to determine the cost of hauling coal to Ontario made a finding that $7.22 covered out of pocket expenses. A number of flaws have been picked by coal operators in the basis upon which the board made its ruling, notably the weight of the average car moved, the allowance for repair and maintenance of equipment, and the cost of the return empty haul.

The whole matter will come before parliament at the present session and the magnitude of the interest developed, not only in Alberta and in Ontario, but in sister provinces which have come to regard the campaign as one of national significance, promises that the subject will find a place befitting its importance in the debates of the Federal House.

Legislatively, Alberta witnessed two incidents of some importance. One was the decision, adverse to the Province of the Supreme Court of Canada that the Coal Tax collected by the Province at the rate of 5 cents per ton of coal produced was ultra vires. The Provincial government has applied for and been granted leave to the Privy Council which will probably hear the appeal in April or May. The amount involved is between $300,000 and $350,000 per annum.

Another incident has been the decision of the government to amend the Mines Act of the Province so as to require every miner working at the coal face to have a certificate of competency. The amendment became law in the face of considerable opposition as to the practicability of its operation.

During the year the government also appointed a committee to investigate the operation of the Workmen's Compensation Act, an Act of some concern to the mining industry in its scope and cost of operation. The decision of the government grew out of continual demands for changes in the Act and complaints regarding its administration and operation. The committee, composed of five representatives of employers, five representatives of labor, and five members of the provincial legislative assembly, heard numerous representations from various bodies and dealt with a mass of data and evidence. This report, which it is understood was unanimous, will be adopted by the government as the basis of amendments to the present Act at the present session. As the subject has been a highly controversial one in the past, the ability of a committee to reach an unanimous conclusion is noteworthy.

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# *Mining Inquiries*

## Lang Caswell

Can you give us any information regarding this concern and if the shares are of any value?

Lang Caswell shares, we believe to be worthless. Our understanding is that the company lost its claim a few years ago for non-payment of taxes.

## Goldale

Would it be better to cut the loss and dispose of this stock, or hold, with a view to getting out without loss, at an early date?

This is a delicate point to decide. Goldale may spring back any day and on the other hand might go lower. It's a case of where one guess is as good as another.

## Hargrave Silver

Can you give me any information as to the present value of Hargreave Silver Mines, Silver Bar Mining Company, Rochester Mines, and Bailey Cobalt?

Hargreave, Silver Bar, Rochester Silver, Bailey Cobalt. We believe that the shares of all these operations are worthless. They are all old Cobalt ventures, and not one of them made any real mining progress.

## Dome Oil

Will you be good enough to give me your candid opinion of the Dome Oil Co., at Wainwright, also the Saska-Wainwright Oil Co. As I am a man of very limited means, I shall greatly appreciate your opinion and advice.

If you are a man of limited means you should leave such stocks as Dome Oil and Saska-Wainwright oil alone. They are gambles and from your remarks we believe you cannot afford to gamble.

## Victory Silver Mines

I would be pleased if you would give me what information you can on the above. I have written my broker regarding this stock and he advises it is selling around 4c. per share. I advised him to sell my holdings at this figure, but to date have heard nothing from him. Any information you might be able to give will be very much appreciated.

Victory Silver has fallen on evil days, and you will be wise to rescue what you can—if any—from the wreckage. If your broker told you he could get four cents a share and has not come through, you'd better step on his toes.

## Premier Gold

Will you kindly advise me what your opinion is of this company from an investment point of view?

Premier Gold Mines is one of the most attractive mining stocks among Canada's precious metal mines. Dividend 32 cents per share per year. Position financially very strong. Parent property known to be good for some years yet and has possibilities for finding further ore. Company also acquired two groups, Silverado and Prosperity and both give promise of developing into mines that will add to Premier's profits.

## Inter. Nickel

In your annual survey of mines we notice that you estimate the profits of International Nickel in 1930 will amount to $1,250,000 net monthly. Will you kindly advise on what tonnage this estimate is based.

The estimate of profits of $1,250,000 monthly for "Nickel" by 1930 was made by a man who was in a position to know. He did not feel at liberty to give the figures on which he based such an estimate, but we believe that he was sufficiently well informed to make a proper estimate. In a recent talk with Pres. J. L. Agnew, he said that by 1930 the expansion plans of the company should be showing up in earnings.

## Treadwell Yukon

Do you consider this a good buy around $26, also would you advise switching Teck into same?

Treadwell Yukon common has possibilities for big profits because it is proposed to issue preferred shares to common shareholders as funds for new developments and smelters are needed. The preferred will be a 6 per cent. participating and it is likely that the rights which will accrue to the common holders will prove to be quite valuable. There are only one million common shares and the amount of the ten million preferred that the company will have to issue will be a factor. It looks to have a big future but would much rather that you make your own decision in regarding selling your Teck-Hughes. We like them both and both will make you money.

## Several Speculations

What is your opinion of Mint Ore, Duprat, Pawnee, Abana, Pioneer, Demas, Boichatel? Will Baldwin come back?

We would rate your holdings in the following order, Abana, Pioneer Pawnee, Mint Ore and the rest all about the same. Abana is the only one with large bodies of ore proven underground. Pioneer has substantial bodies indicated by diamond drill but the operation is not in the good graces of the speculating public and for this reason is selling out of line with other stocks of this nature. Pawnee has got some good ore and has a good outlook. It is in a popular camp and is well handled. Mint Ore got some good looking stuff out of Woman Lake and looks like an attractive gamble. The others are just gambles. Your guess on Baldwin is as good as ours. We have heard engineers predict that some day it will make a mine.

## Astoria Rouyn

What kind of a gamble is this? I have about 4,000 shares.

We don't tip but we generally get the low down on an operation from all angles—if possible and it is not always—and you generally find when they are presented in proper sequence that what they indicate is that a stock is either a buy or a sell. Astoria Rouyn started under quite auspicious circumstances, but we believe that some of those selling the stock got the company in rather dutch. It may live it down. It is a gamble. Realty and mines is the same. Big things were predicted for it. The sad conclusion of many who say they paid to find out is that the promoters were better real estate men than mine operators or market handlers or both. The real estate end was held up but the mining end seems to have fallen by the wayside. We judge from the long list of dead or slow ones you outline in your letter that it is about time you picked some of the better class of stocks and recoup some of your losses which seem to have been plenty.

## Laval Quebec

Will you please give me any information which you may have on Laval Quebec Mines?

Laval Quebec Mines has done well and is quitting the Quebec field for the Sudbury area. The company will organize a new subsidiary.

## McKenzie Porcupine

Do you know anything of this company?

McKenzie Porcupine Company is still in existence and claims are regarded as having a fair mining chance. Nothing has been done on them for a considerable time.

## Teck Hughes

I hold Teck Hughes and Wright Hargreaves and thought of selling Wright Hargreaves and buying some McIntyre. Which do you consider the better buy for a rise in price this year, Teck or McIntyre?

We hesitate to suggest to anyone that they switch out of any of the good gold stock to buy the other. They are all good. We have a feeling that some of them may hang around low levels for a time. There has been heavy selling of W. Hargreaves and it will take the market some time to absorb this. Teck Hughes is attractive also. It may hang around these levels for a time but holders are assured of a steadily rising dividend. McIntyre is about ready to expand milling operations, and has many things to recommend it.

## Mining Stocks

What do you think of the following mining stocks and in what order would you place them as regards probable increase in value during the next year?

Teck Hughes.
Wright Hargreaves.
Noranda.
Central Manitoba.
Big Missouri.

I have information from Tacoma and Vancouver as regards the Big Missouri. They claim that this mine has been bonded several times and let lapse, and that it is very uncertain whether the smelters will continue developing the property; also that it is too high at the present price, around forty cents.

We would place them in the following order: "A" Teck Hughes and Wright Hargreaves, "B" Noranda, "C" Central Manitoba, "D" Big Missouri. Our information is that all that Big Missouri required was intelligent mining backed by proper working capital to make a mine. Some think that the stock is a little high, but one important discovery would change this opinion overnight.

## Hudson Bay Mining

What is your opinion of this concern?

Hudson Bay Mining and Smelter shares are considered attractive and brokers are telling their clients that they regard them as having substantial profit possibilities if purchased for a hold.

## Thompson Cadillac

What do you know about this company?

Thompson Cadillac is a rather spectacular gold property in the gold area of Northwestern Quebec. Some very rich ore was opened out and the company is now attempting to open up this ore at depth and has been meeting with a fair amount of encouragement.

## Howey Gold

I would be glad of your opinion of this company.

Howey Gold Mines is quite an attractive venture. The shares have eased back a little in the present market, but there has been no bad news from the property. Our understanding is that it is developing well. Company has abundant finances and is in good hands.

## Hudson Bay Mining

Will you let me have your opinion on Hudson Bay Mining & Smelting Co., supposed to be backed by Whitney interests? Is it a good buy? What are current levels?

Hudson Bay Mining and Smelting is the holding company that will own the Flin Flon Mine. It is a well sponsored operation that will have the best mining and metallurgical brains and lots of money to carry on with. It is attractive.

## Taltapin Mining

Please inform me as to the present activities of the above mentioned company.

Operation seems to have been well sponsored, and is in a coming area of British Columbia, the Smithers section. The company seems to have made the mistake of incurring the wrath of the district engineer of the B.C. Department of Mines. Some people in B.C. will say that these engineers are not to be taken seriously. That is foolish. These engineers are doing a good work, helping to protect the public. If one visits a property and the company has nothing to hide, it will hardly suffer by opening wide the door to the Government representative. The Mines of Northern Ontario have built up a great public confidence by throwing their mines open to newspaper men and engineers (within reason). Only a few busy-bodies have found it difficult to get down in the mines. Better read page 158, 1927 edition of Survey of Mines, and also B. C. Mines Report, 1926.

## Pan Extension

What can you tell me about Pan Extension Mine?

Our understanding is that Pan Extension mines, the Manitoba venture, has been dead some time.

## Cartier Malartic

Please furnish me with your opinion on the above mentioned mining stock.

Cartier Malartic is a well sponsored speculative stock in a company that has taken up a block of well located claims in the gold section of North Eastern Quebec. Our information is that those behind it will see that the public gets a run for its money

## Fisher Quebec

I am trying to get a reliable conservative opinion on the value of Fisher Quebec Gold Mines stock, and, having read an article in your paper about two months ago on the progress of this company, I felt that perhaps you would be in a position to give me some information. I own 200 shares of this stock, bought at a high price around $2 per share, and it was quoted last at 80c. before it was taken off the Exchange. Can you tell me if this stock is listed on any exchange, and if not, whether there is any market for it, also what the selling price is?

You paid too high for your Fisher Quebec stock, but for a time Fisher Quebec was pushed up to a level out of proportion with the position of the operation. This cannot be held against the company. The operation is in good hands and is making a real effort to find ore. You will get a good run for your money. We know of no market for the shares.

## Kirkland Lake

Please let me have your opinion on Kirkland Lake Gold.

This is a very intelligent operation. The reason generally assigned by those who claim the stock is too high is that the first 1,300-ft. of the property was of little value. That is true but no one knows what fabulous amount of ore may be taken from the present workings until the deposit is bottomed, if ever. Company has 5,000,000 shares and market valuation at present price is $11,500,000. It is an old story about the wise birds bemoaning the fact that some stocks were selling miles too high only to have the stock double to prove them wrong. We believe that some of the stocks were carried to levels that they may have difficulty in attaining again. The reason they were up so was the scarcity of good stocks. The supply of operations of merit is much greater to-day and the public will undoubtedly sidestep the high priced ones when stocks in concerns with excellent possibilities can be bought cheaper.

## Abana Mines

I would be pleased with your opinion of Abana mines. I bought some shares at $4.25. What is the capitalization of the Abana Mines? The Financial Post Survey of 1927 states that it is $3,000,000. On December 21, The Globe had a statement that it is $5,000,000. Which is correct? Would you advise my holding these shares until they go up again? I have also read that there is an option on 500,000 shares up to the 1st of March. Is that likely to affect the market?

Shareholders of Abana Mines are being urged to attend the annual meeting of the company which will be held in Montreal on February 14 so as to insure the election of the best possible board to carry on the affairs of the company during the next fiscal year. There is some talk that the pool in Abana vendors shares may be broken before the meeting so that the present holders will have a voice in the meeting. It is understood that there has been heavy trading in vendor shares script and that the bulk of this stock is now in the hands of the public.

## Hudson Bay Mining

Would you buy Hudson Bay Mine shares at $15? Who are the directors, etc.?

By this time you will have seen the articles we published recently, giving all the available detail on Hudson Bay Mining and Smelting which will control the Flin Flon. We believe that this articles covered all the points in your letter.

Officers and Directors of H.B.M. & S. Co. are:

Officers:—Frank L. Crocker, President; Henry Krumb, Vice-President; Arthur H. Lockett, Vice-President; Henry E. Dodge, Secretary and Treasurer; H. E. Franklin; Assistant Secretary and Assistant Treasurer; William T. Smith, Assistant Secretary; Carroll Searls, Assistant Vice-President.

Directors:—Charles F. Ayer, President, Newmont Mining Corporation, 14 Wall Street, New York; R. H. Channing, Jr., President, Flin Flon Mines, Ltd., 247 Park Avenue, New York; Frank L. Crocker, President of the Company, 247 Park Avenue, New York; Henry Krumb, Consulting Mining Engineer; 14 Wall Street, New York; Arthur H. Lockett, Newmont Mining Corporation, 14 Wall Street, New York; Vernon Munroe, Banker, J. P. Morgan and Company, 23 Wall Street, New York; Britton Osler, Osler, Hoskin & Harcourt, Dominion Bank Building, Toronto; James P. Watson, President, The Mining Corporation of Canada, Limited, Toronto, and Cornelius V. Whitney, Banker, 247 Park Avenue, New York.

Hudson Bay is a holding company controlling Flin Flon Mines Ltd. The latter company will operate the Flin Flon mine.

**MINING STOCK QUOTATIONS**
**Week Ending February 7**

| | Par. Val. | Div. Rate | Yield | High for wk. | Low for wk. | Close Feb. 7 | Sales for wk. | Range 1927 High | Range 1927 Low | Range 1928 High | Range 1928 Low |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Abana | 1 | .... | .... | 3.25 | 2.75 | 3.02 | 51990 | 4.90 | .20 | 3.95 | 2.75 |
| Aconda | 1 | .... | .... | 40 | 30½ | 36½ | 448700 | 45 | 14½ | 40 | 29 |
| Afton | 1 | .... | .... | 1.46 | 1.40 | 1.46 | 5210 | 1.30 | 1.00 | 1.46 | 1.25 |
| Algonquin | 1 | .... | .... | 2⅛ | 2½ | 2¼ | 35000 | 5¼ | 2 | 3 | 2 |
| Arno | . | .... | .... | 37 | 28 | 29½ | 358450 | .... | .... | 37 | 21¼ |
| Amity C. | . | .... | .... | 31½ | 24 | 30½ | 57450 | 50 | 24½ | 44 | 24 |
| Amulet Rts. | . | .... | .... | 80 | 50 | 70 | 45962 | .... | .... | 80 | 50 |
| Amulet | 1 | .... | .... | 3.97 | 3.30 | 3.87 | 85808 | 7.10 | .85 | 5.20 | 3.30 |
| Apex | 1 | .... | .... | 8 | 6¼ | 7½ | 79150 | 10 | 1 | 9 | 6¼ |
| Area | 1 | .... | .... | .25 | .21 | .24½ | 69650 | 1.95 | .23 | .32 | .21 |
| Argo. Con. | 1 | .... | .... | 26 | 23 | 24¾ | 162800 | 59 | 25 | 34 | 23 |
| Atlas | 1 | .... | .... | 4 | 3½ | 3½ | 17500 | 7 | 2 | 4½ | 3 |
| Ankerite | . | .... | .... | 1.08 | 1.00 | 1.07 | 1000 | 1.25 | 1.15 | 1.23 | 1.00 |
| Bathurst | . | .... | .... | 26 | 22 | 25 | 88800 | .... | .... | 35 | 22 |
| Bagamac | . | .... | .... | .... | .... | .... | .... | 19 | 6 | 5 | 5 |
| Baldwin | 1 | .... | .... | 2¾ | 2¼ | 2¼ | 11300 | 5½ | 1 | 3½ | 2 |
| Big Missouri | . | .... | .... | 70 | 65 | 70 | 2600 | .... | .... | 90 | 65 |
| Barry Holl. | 1 | .... | .... | .87½ | .73 | .78 | 236260 | 1.50 | .25 | 1.20 | .73 |
| Beaver | 1 | .... | .... | 1.83 | 1.53 | 1.75 | 84315 | 2.75 | .59½ | 2.25 | 1.53 |
| Bellellen L. | 1 | .... | .... | .... | .... | .... | .... | 23½ | 3 | 3½ | 2½ |
| Bidgood | 1 | .... | .... | .86 | .69 | .69½ | 468350 | 1.83 | .5 | 1.60 | .69 |
| Boischatel | None | .... | .... | 4¼ | 4 | 4⅛ | 38400 | 27 | 3 | 5 | 4 |
| Bourlamaque | 1 | .... | .... | .... | .... | .... | .... | 1.53 | .50 | .... | .... |
| Bedford | . | .... | .... | 50 | 45 | 49½ | 122000 | 52 | 19 | 50 | 38 |
| Buckingham | 1 | .... | .... | 5½ | 5 | 5 | 60600 | 9½ | 3 | 7 | 5 |
| Bunker Hill | 10 | .... | .... | .... | .... | .... | .... | 160 | 75¼ | .... | .... |
| Big Horn | . | .... | .... | 41 | 40 | 40 | 8500 | .... | .... | 44 | 39 |
| B.C.Develop. | . | .... | .... | 2.00 | 1.60 | 1.85 | 1050 | 1.32 | 1.12 | 2.00 | 1.32 |
| Cambro | . | .... | .... | 35 | 30 | 30 | 2000 | 58 | 55 | 55 | 30 |
| Can. Lorraine | 1 | .... | .... | 15 | 15 | 15 | 1500 | 72 | 10 | 18½ | 13½ |
| Capitol S. | 1 | .... | .... | 17½ | 16 | 17½ | 7900 | 34 | 14 | 18½ | 15 |
| Capitol R. | 1 | .... | .... | 15¼ | 12 | 13¼ | 357100 | 54½ | 10 | 18 | 12 |
| Castle Tre. | 1 | .... | .... | .81½ | .70 | .79 | 49100 | 1.27 | .61 | .81½ | .65 |
| Cen. Man. | 1 | .... | .... | 1.70 | 1.50 | 1.67 | 40650 | 2.30 | 1.07 | 1.95 | 1.50 |
| Chaput H. | 1 | .... | .... | 13 | 12 | 12 | 44800 | 20 | 4¼ | 18 | 12 |
| Clifton | 1 | .... | .... | 1½ | 1 | 1½ | 10000 | 3½ | ½ | 2 | 1 |
| Coast Copper | 5 | .... | .... | 50½ | 42 | 47¾ | 5670 | 43¼ | 9¼ | 60 | 36 |
| Col. Kirk. | 1 | .... | .... | 6½ | 5½ | 6 | 129100 | 16 | 1½ | 9½ | 5½ |
| Clericy | . | .... | .... | 20 | 17 | 17 | 3600 | 31½ | 31 | 30½ | 17 |
| Coniagas | 5 | .... | .... | 5.05 | 4.75 | 4.75 | 1847 | 5.05 | 3.20 | 5.05 | 4.75 |
| Coniaurum | 5 | .... | .... | 5.15 | 5.00 | 5.15 | 925 | 5.78 | 2.80 | 5.50 | 5.00 |
| Cons. Smelter | 25 | 10+40 | 4.47 | 285 | 278 | 280 | 2871 | 274½ | 215 | 289½ | 251 |
| Copper Hill | 1 | .... | .... | .... | .... | .... | .... | 68 | 36 | 46 | 44 |
| Corona | 1 | .... | .... | 11½ | 10 | 10¾ | 69900 | 37 | 10 | 16 | 10 |
| Crown Res. | 1 | .... | .... | 49½ | 42 | 48½ | 87016 | 80 | 39 | 70 | 39 |
| Destor | 1 | .... | .... | .... | .... | .... | .... | 43 | 20 | 20 | 20 |
| Dome Mines | None | $1 | 8.33 | 12.55 | 11.99 | 12.05 | 2200 | 14.60 | 6.85 | 13.35 | 11.99 |
| Dom. Kirk. | 1 | .... | .... | 4 | 3 | 4 | 93631 | 12 | 1½ | 6½ | 3 |
| Don. Rouyn | 1 | .... | .... | 17 | 13 | 17 | 27025 | 56½ | 17½ | 22 | 13 |
| Dubec | 1 | .... | .... | .59 | .58 | .58 | 5145 | 1.48 | .35 | .72 | .50 |
| Duprat | 1 | .... | .... | 10 | 8½ | 9 | 73750 | 21 | 9¼ | 12½ | 8 |
| Dupuy | . | .... | .... | .... | .... | .... | .... | 79½ | 9 | .... | .... |
| Everett | 1 | .... | .... | 3 | 1½ | 3 | 19500 | 5½ | 1¼ | 3 | 1½ |
| Federal Kirk. | 1 | .... | .... | 71 | 69 | 69 | 28450 | 78 | 40 | 77 | 69 |
| Fiske | 1 | .... | .... | 10 | 10 | 10 | 1000 | 30½ | 5 | 10 | 4 |
| Gifford | 1 | .... | .... | .... | .... | .... | .... | 1¼ | ¼ | .... | .... |
| Goldale | 1 | .... | .... | 38 | 35 | 35 | 57700 | 51½ | 20 | 44 | 30¼ |
| Gold Hill | 1 | .... | .... | 30 | 20 | 25 | 593350 | 54 | 22 | 38½ | 30 |
| Gold Reef | 1 | .... | .... | 1¾ | 1½ | 1½ | 15500 | 2½ | 1½ | 2 | 1¼ |
| Gran. Rouyn | 1 | .... | .... | 26 | 22½ | 25 | 135106 | 41 | 14½ | 35½ | 22½ |
| Grover Daley | 1 | .... | .... | 10½ | 9 | 9¼ | 84500 | 37 | 8 | 15 | 9 |
| Goodfish | . | .... | .... | 51 | 43½ | 43½ | 20700 | .... | .... | 78 | 43½ |
| Harvie Exp. | None | .... | .... | .68 | .50 | .60 | 5250 | 2.40 | .50 | .85 | .50 |
| Hecla Con. | . | .... | .... | 1.00 | .96 | .99 | 3400 | .... | .... | 1.00 | .95 |
| Hillcrest, c. | 100 | 6 | 10.00 | .... | .... | .... | .... | 65 | 50 | .... | .... |
| Hillcrest, p. | 100 | 7 | 8.09 | .... | .... | .... | .... | 90 | 81½ | 86¾ | 85 |
| Hilltop | 1 | .... | .... | 18 | 15½ | 16 | 36800 | 25 | 6½ | 23½ | 15½ |
| Hollinger | 5 | 26 | 7.36 | 18.00 | 17.50 | 17.65 | 3931 | 22.65 | 16.49 | 18.10 | 17.40 |
| Howey Gold | 1 | .... | .... | 1.50 | 1.26 | 1.35 | 334565 | 1.78 | .42 | 1.91 | 1.26 |
| Hudson | . | .... | .... | 22.00 | 19.25 | 20.25 | 94436 | .... | .... | 23.25 | 17.50 |
| Indian | 1 | .... | .... | .... | .... | .... | .... | 12 | 4 | 15 | 5 |
| Int. Nickel | 25 | $2 | 2.08 | 98½ | 94¼ | 96 | 165716 | 90¼ | 38 | 100 | 81½ |
| Jackson M. | 1 | .... | .... | 77 | 74 | 74 | 86000 | 86 | 36 | 86 | 73 |
| Keeley | 1 | 16 | 27.11 | .60 | .53½ | .59 | 18440 | 1.66 | .69 | .72 | .53 |
| Keora M. | 1 | .... | .... | 4 | 3 | 3 | 6000 | 13½ | 2 | 5 | 2½ |
| Kirk. Hunt. | 1 | .... | .... | 19 | 17 | 18 | 73800 | 35½ | 10 | 26 | 16 |
| Kirk. Lake | 1 | .... | .... | 2.21 | 1.93 | 2.20 | 493915 | 3.06 | .82 | 2.75 | 1.93 |
| Koot. Flor. | 20c. | .... | .... | 41 | 36 | 39 | 75600 | 31 | 22 | 47 | 28 |
| Lebel Oro | 1 | .... | .... | 41 | 35 | 35 | 15200 | 66 | 30 | 59 | 35 |
| La Rose | 1 | .... | .... | 4⅛ | 4⅛ | 4⅛ | 1000 | 12 | 3 | 7 | 4¼ |
| Lake Shore | 1 | 40+30 | 2.82 | 24.95 | 24.40 | 24.75 | 10915 | 28.20 | 15.40 | 27.70 | 24.00 |
| Laval | 1 | .... | .... | 24 | 22 | 22½ | 136550 | 59 | 19½ | 28 | 20 |
| Lorrain C. | 1 | .... | .... | 1 | 1 | 1 | 3000 | 3¼ | 1 | 1 | 1 |
| Lorrain T.L. | 1 | .... | .... | .... | .... | .... | .... | .86 | .52 | .... | .... |
| Macassa | 1 | .... | .... | 46 | 40 | 42 | 61800 | 69 | 18 | 55½ | 40 |
| Malartic | 1 | .... | .... | 99 | 73 | 93 | 389360 | 78 | 23½ | 99 | 70 |
| Marriott | 1 | .... | .... | 37 | 31 | 31 | 11100 | 45 | 35 | 46 | 31 |
| McDougall | 1 | .... | .... | 55 | 50½ | 52 | 78300 | 90 | 24 | 56 | 47 |
| McKinley | 1 | .... | .... | 18½ | 18 | 18½ | 9255 | 25½ | 11 | 20 | 18 |
| McIntyre | 5 | 20 | 3.63 | 28.10 | 27.00 | 27.50 | 3420 | 29.00 | 24.00 | 29.00 | 27.00 |
| Mint Ore | . | .... | .... | 29 | 25 | 28 | 66850 | .... | .... | 29 | 25 |
| Millcrest | 1 | .... | .... | 10 | 9½ | 9½ | 25200 | 15 | 2 | 12 | 8 |
| Mining Corp. | 5 | 25 c. | .... | 4.50 | 3.80 | 4.20 | 77676 | 5.05 | 2.90 | 5.50 | 3.70 |
| Moneta | 1 | .... | .... | 10½ | 10½ | 10½ | 5000 | 15½ | 8¼ | 12 | 9 |
| Montreal R. | 1 | .... | .... | .... | .... | .... | .... | 35 | 10 | 16 | 9 |
| Monelk | . | .... | .... | .... | .... | .... | .... | .... | .... | 15 | 15 |
| Mond Nickel | . | .... | .... | 36 | 36 | 36 | 145 | .... | .... | 36 | 36 |
| Murphy | . | .... | .... | 49¼ | 48 | 48 | 73600 | .... | .... | 49¼ | 48 |
| Newbec | 1 | .... | .... | .57 | .45 | .56 | 83300 | 1.20 | .62½ | .66 | .45 |
| Newray | 1 | .... | .... | .... | .... | .... | .... | 50 | 28 | .... | .... |
| Night Hawk | 1 | .... | .... | 8½ | 7 | 8 | 31700 | 10½ | 4 | 10 | 7 |
| Nipissing | 5 | 6 | 5.98 | 5.35 | 5.05 | 5.17 | 6250 | 10.30 | 5.25 | 6.00 | 5.05 |
| Noranda | None | .... | .... | 20.60 | 19.25 | 19.25 | 45197 | 25.80 | 19.95 | 23.85 | 19.25 |
| Nat. P. & D. | . | .... | .... | 9.50 | 9.00 | 9.25 | 8605 | .... | .... | 9.50 | 7.75 |
| Ophir | 1 | .... | .... | .... | .... | .... | .... | 4⅛ | ½ | 2½ | 1½ |
| Osisko | . | .... | .... | .47 | .46 | .47 | 6025 | 1.75 | .35 | .64 | .45 |
| Pawnee Kirk. | 1 | .... | .... | 60 | 53 | 57 | 40300 | 78 | 54 | 80 | 53 |
| Picard | . | .... | .... | 71½ | 56 | 56 | 4000 | .... | .... | 77 | 56 |
| P. L. Cobalt | 1 | .... | .... | 14 | 12 | 12½ | 43333 | 18 | 2 | 16½ | 6 |
| Porc. Crown | 1 | .... | .... | 7 | 5 | 5 | 11100 | 11 | 3 | 8 | 5 |
| Pioneer | 1 | .... | .... | .58 | .51 | .58 | 84105 | 1.18 | .45 | .60 | .48 |
| Potter Doal | None | .... | .... | 17 | 15 | 17 | 111750 | 65 | 10½ | 22 | 15 |
| Premier Gold | 1 | 32 c. | 11.85 | 2.80 | 2.60 | 2.70 | 8495 | 2.50 | 1.86 | 3.50 | 2.15 |
| Preston | 1 | .... | .... | 4½ | 4 | 4½ | 16200 | 7 | 3 | 5 | 4 |
| Pend. Ore. | . | .... | .... | 9.60 | 8.00 | 9.60 | 7490 | .... | .... | 10.75 | 8.00 |
| Realty & M. | . | .... | .... | 13 | 10 | 13 | 18400 | 38 | 15 | 17 | 9½ |
| Ribago | . | .... | .... | 16½ | 15 | 16¼ | 211500 | 87 | 13 | 25 | 15 |
| Rouyn G. | 1 | .... | .... | 2⅝ | 1½ | 1½ | 15900 | 4 | 2½ | 3 | 1½ |
| Rouyn Que. | 1 | .... | .... | .... | .... | .... | .... | 4⅛ | 1 | 1½ | 1½ |
| Rubec | 1 | .... | .... | .50 | .43 | .45 | 3200 | 3.65 | .80 | .80 | .43 |
| San Antonio | . | .... | .... | 46 | 42 | 44 | 60570 | 57 | 30 | 54½ | 42 |
| Sherritt G. | . | .... | .... | 7.10 | 6.25 | 7.05 | 37237 | .... | .... | 7.55 | 5.90 |
| Sherritt V.T. | . | .... | .... | 6.45 | 6.45 | 6.45 | 100 | .... | .... | 7.50 | 5.95 |
| Siscoe | 1 | .... | .... | 43 | 30 | 40 | 22700 | 60 | 12 | 43 | 15 |
| South Keora | 1 | .... | .... | 15 | 9 | 9 | 5600 | 64½ | 4½ | 17¼ | 9 |
| Stadacona | None | .... | .... | 19 | 16 | 17¾ | 147900 | 55 | 13 | 21½ | 15 |
| St. Anthony | 1 | .... | .... | .... | .... | .... | .... | 50 | 16 | 42 | 33 |
| Sud. Basin | 1 | .... | .... | 14.25 | 11.50 | 13.50 | 32395 | 11.85 | 4.00 | 15.00 | 11.50 |
| Sylvanite | 1 | .... | .... | 3.75 | 3.20 | 3.70 | 10825 | 4.80 | 2.60 | 3.90 | 3.20 |
| Sudbury M. | . | .... | .... | 26 | 22 | 22 | 24000 | .... | .... | 33½ | 22 |
| Sunloch | . | .... | .... | 6.50 | 3.25 | 3.25 | 5030 | .... | .... | 6.50 | 3.25 |
| Teck Hughes | 1 | 10+5 | .... | 9.30 | 8.75 | 9.15 | 74040 | 12.00 | 5.37 | 10.80 | 8.40 |
| Thomp. Krist | 1 | .... | .... | .... | .... | .... | .... | 2 | ½ | .... | .... |
| Tough Oakes | 1 | .... | .... | 64 | 51 | 56 | 294800 | 82 | 25 | 79 | 51 |
| Towagmac. | 1 | .... | .... | 3.50 | 3.28 | 3.45 | 7415 | 5.75 | 2.85 | 4.10 | 3.01 |
| Telluride | 1 | .... | .... | 39 | 39 | 39 | 500 | 38 | 35 | 39 | 39 |
| Timiskaming | 1 | .... | .... | 6 | 6 | 6 | 200 | 12 | 4 | 7 | 6 |
| Treadwell Y. | 1 | .... | .... | 29.55 | 28.50 | 28.50 | 1380 | 26.75 | 18.50 | 32.00 | 25.00 |
| Vic. Silver | 1 | .... | .... | .... | .... | .... | .... | 14 | 1½ | .... | .... |
| Vickers | 1 | .... | .... | .80 | .80 | .80 | 100 | 1.52 | .25 | 1.25 | .80 |
| Vipond | 1 | .... | .... | .59 | .55 | .57 | 21610 | 1.75 | .47 | .85 | .54 |
| Wakenda | 1 | .... | .... | 10¼ | 8¼ | 9½ | 80400 | 16 | 1 | 11 | 7 |
| Wasapika | 1 | .... | .... | .... | .... | .... | .... | 2 | 1 | .... | .... |
| W. D. Lake | 1 | .... | .... | 14¼ | 12½ | 14 | 33642 | 20 | 8 | 17½ | 10 |
| West Tree | 1 | .... | .... | .... | .... | .... | .... | 4½ | 1 | .... | .... |
| Wettlaufer | 1 | .... | .... | .... | .... | .... | .... | 4¾ | 1½ | .... | .... |
| Wiltsey C. | 1 | .... | .... | 51 | 48½ | 50 | 5700 | 74 | 50 | 56 | 48½ |
| Wright Har. | None | 10 c. | 3.63 | 5.70 | 5.50 | 5.50 | 76810 | 8.45 | 5.50 | 6.80 | 5.50 |
| Windfall R. | . | .... | .... | 18 | 15 | 17¼ | 10925 | 31 | 19¼ | 25 | 15 |

# ENGINEER CHARGED ALONG WITH RICE

## New Fraud Charges Are Laid Against N. Y. Operator and Others as Well

Jacob Simon Herzig, alias George Graham Rice, has been indicted again. The indictment was presented by the Federal Grand Jury on January 17th, 1928, to the United States District Court at New York, on a charge of using the mails to defraud and conspiracy so to do, in proceedings prosecuted under the direction of United States Attorney Charles H. Tuttle, says Better Business Bureau of New York in a bulletin to members.

Walter Harvey Weed, well-known mining engineer and former publisher of the Mines Hand Book, and Walter K. Yorston, are included in the indictment, together with the Wall Street Iconoclast, Inc., publisher of the Wall Street Iconoclast, of which Rice was the editor. The alleged fraudulent acts were carried on in the sale of stock in the Idaho Copper Corporation, which began in March, 1925.

Rice has used spectacular methods to stage a "come-back" in recent years through the sale of stock, not only of the Idaho Copper Corporation, but other mine promotions, one in Mexico and one in Colombia, South America. He has fared ill with all of them and has run afoul of the authorities of New York State. Particularly in the sale of the stock of the Idaho Copper Corporation he is charged with having taken large sums of money from thousands of persons who have been readers of the publication mentioned. The total of stock sales in all of his enterprises are said to have amounted to many million dollars. Most of the stockholders in the Idaho Copper Corporation were subsequently switched by Rice into the Idaho Copper Company. The latter company recently was ordered into equity receivership at Boise, Idaho.

Another Federal indictment is pending against Rice brought in January 1926 in connection with the sale of stock of the Fortuna Mining Company.

## Corona Mines Has Decided To Start Diamond Drilling

Diamond drilling has started on Corona Mines which property is in close proximity to Amulet and Rhyolite Mines. Decision to undertake drilling followed meeting with considerable success in surface trenching. It is understood that in one 10-ft. trench good mineralization was encountered with assays up to 7 per cent. copper. The mineralized area is not a small one, but has been opened up for over twenty feet in width by several hundred feet in length, and in view of the excellent results obtained by Amulet and with the formation on Corona said to be identical, the management looks forward to drilling with much interest.

## Hazelton Gold Plans to Resume Operations

Hazelton Gold Mines plans to refinance and resume operations on its Porcupine property. Negotiations for new funds are almost completed and shareholders will meet Feb. 11 to pass upon the new proposals. Hazelton has some high grade gold-copper ore proven and are negotiating with Noranda Mines with a view of shipping it to the smelter at Rouyn.

# To Excercise Option on Collins-Babson

From Our Own Correspondent

MONTREAL.—The official announcement has been made that Alderson, MacKay and Armstrong, consulting engineers of Towagmac Explorations Company, have decided to exercise the option on the Collins-Babson property in Geneva Township, Sudbury district.

Already 2,000 feet of diamond-drilling has been completed on the property and it is reported that $1,500,000 worth of zinc and lead ore with a fair precious metal value has been uncovered.

The terms of the option do not call for any cash payment by the buyer, but Towagmac within two years from now has to bring the mine to an initial production of fifty tons per day. In return for this outlay, estimated not to exceed $150,000, Towagmac will receive seven-tenths of the capital stock of the company now being incorporated under the name of the Collins Mining Company.

A complete mining plant has been ordered, and it is understood that underground developments and exploration should begin in March this year.

## Another B.C. Issue Financing in East

Shares of Columarie Gold Mines, a B.C. operation, are being offered by Guardian Investment. The company is capitalized at 1,000,000 shares, par value $1, of which 300,000 will remain in the treasury. Property is located in Omenica Mining District of British Columbia and consists of 18 claims. Nine distinct veins, one for a length of 3,000 feet, have been opened up, carrying values in gold, silver and lead. Considerable cross cutting, stripping and trenching has been done, and three tunnels ranging in depth from 65 to 155 feet have been driven.

British Columbia Mines
Past 2½ years mineral production equals entire half century ending 1901.
Dividends now approximate $10,000,000 per annum.
This development is accurately reflected in Stock Market and in our free market letters.
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AT present we are interested in buying or selling the following:
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# MOST PROVINCES NOW HAVE MINES, SAYS DR. CAMSELL

## States That This Important Factor Creates Greater Interest in Industry

## GREAT ADVANCES

### Minister of Mines Avers Dominion is Being Better Equipped with Technical Experts

"Of great importance to the Dominion as a whole is the fact that mining is spreading over a vastly greater territory than formerly, and that nearly every province is now sharing strongly in mineral production, or in the earlier stages of new mining development," says Dr. Chas. Camsell, Deputy Minister of Mines, Ottawa, in commenting on the developments of the mining industry in the Dominion. He adds: "This expansion has probably been the most potent factor among those that have contributed in lifting the industry to its new level of importance, as it has demonstrated the wide extent of Canada's mineralized regions and has revised the whole estimate of the value of the country's northerly areas. Most significant, perhaps, of all, it has created throughout the Dominion an active, well-informed interest in mining, and has commanded for mining and metallurgical enterprise a breadth and strength of support quite beyond anything possible a few years ago.

"In addition to the extent of Canada's physical field for further mineral development, which in itself furnishes a reasonable basis for confidence in the growth of Canadian mining, there are a number of other factors that have a vital bearing upon the outlook. Great technical advances have been made in prospecting methods and in mining and metallurgical practice, and Canada is now better equipped in personnel for advancing in mining development. The intelligent interest aroused throughout the country in recent years is a force in itself, and as a result of the close relations existing between the universities, government departments, and the mining industry, the Dominion is gradually being better equipped with engineers, geologists, metallurgists, and other technical staffs. Through field and laboratory investigations and in other ways both federal and provincial governments are assisting in the work of mineral development. Moreover, the railway companies, banks, and other business interests have become deeply impressed with the importance of mining and are giving it a measure of attention already great and likely to increase as development continues. It may, therefore, be said that there is behind the Canadian mining industry a strength of support which leaves little likelihood that the industry will fail to advance through any lack of competent business or technical backing."

# HOLLINGER DEVELOPS IN KAMISKOTIA AREA

## Rumored That Ore Body Has Been Traced Over 900 Feet

Evidence that the Hollinger Gold Mines are in Kamiskotia to stay and that developments are assuming larger proportions every day is a criterion of the importance of the Kamiskotia property of the Hollinger Gold Mines. Drifting 900 feet on the 150 foot levels drills have been utilized at 50 foot intervals to cut the ore body laterally. A certain amount of authenticity is given the report that the or- body has been traced a distance of over 900 feet in length and has an average width of over 200 feet. The grade of ore is said to average around $10 a ton. A new compressor with a capacity of 20 drills is now on the way to the property. It is understood that Hollinger is negotiating for considerably more ground in this area. As has been pointed out previously Hollinger shareholder- will likely hear all the details of this development at the annual meeting some time in March.

**ANOTHER MANITOBA COMPANY**

A property adjoining Sherritt-Gordon in N.W. Manitoba has been acquired by Ottawa interests who have organized Cold Lake Mines.

# *"Songs the Miners Sing"*

By R. A.

An engineer returning from the North commented on the fact that wherever he went the miners were warbling some air or ditty indicating that they had been on at least one side of the market last fall. Below, we have tried to guess the songs the miners were singing as applied to particular stocks:

Barry-Hollinger—"The Lost (Vein) Chord."

Flin Flon—"Silver Threads Among the Gold." (And Copper Too).

Area—"Hail, Hail, the Gang's All Here!"

Hollinger—"Oh, Dry Those Tears!" ("I've Loved Her Ever Since She Was a Baby").

Howey—"If I Had a Thousand Lives to Live I'd Live Them All For You."

Castle-Trethewey—"Some Day I'll Wander Back Again (If China and India Behave).

Dome—"Down Went McGinty" (Below the Sediments).

Teck Hughes—"Flow Gently, Sweet Af ($18) ton."

Amulet—"I Hear You Calling Me" (For More Margin).

T. O. B.—"Whispering Hope."

Bidgood—"There's a Long, Long Tale."

McKinley-Darragh—"The Last Rose of Summer."

Wright-Hargreaves — "Until" (The U. S. Selling Stops).

Argonaut—"The Heart Bowed Down" (500 Feet).

Lake Shore—"Pull For the Shore."

Nipissing—"Throw Out the Life Line!" (Someone is Sinking [A Shaft] To-day").

Harker—"You Are the Ideal of My Dreams."

Pioneer—"Slide, Kelly, Slide."

Central Man.—"My Bossey Lies Over the Ocean."

McIntyre—"Asleep in the Deep" (Shaft).

Noranda—"There Is No North or South To-day" (On the Directorate).

Duprat—"Hickory, Dickory, Dock" (Who Sold the Stock?).

Night Hawk—"Alice, Where Art Thou?"

International Nickel—"I'm Trying so Hard to Forget You" (After Selling Short at $43).

Keeley—"Then You'll Remember Me" (Youbetcha).

Kirkland Lake—"Who Knows?"

Jackson Manion—"Woman (Lake) Is Fickle."

Treadwell Yukon—"If the Fellow Wants a Drink Take Him to the Kitchen Zinc."

Premier—"Just That One Hour Again" (When Juicy Dividends Were the Vogue).

Vickers—"All Through the Night" (We Wondered How It Happened).

Atlas—"Oh, Promise Me."

Sudbury Basin—"Lead (Copper, Zinc) Kindly Light!"

Laval-Quebec—"Sweet (High) and Low."

Vipond—"Old Folks at Home" (Trying to Figure It Out).

Smelters—"I Dreamt I Dwelt in Marble Halls."

Baldwin—"When Shall We Meet Again?" (Above 5c).

Sherritt-Gordon—"There Is a Green Hill Far Away."

General—"Just Awearying For You" (Dollar Bill).

**Chorus:**

"Old Oaken Bucket (Shop)
"One Sweetly Solemn Thought" (Never Again);
"Johnny Get Your Gun" (The Con Man Is Here!).

# *Output of Lake Shore Shows Good Content*

Lake Shore Mines, Kirkland Lake, in the last quarter of 1927, handled 58,054 tons of ore, a decline of 3,000 compared with the previous quarter, but the average gold content was $17.82 as compared with $12.51. For the previous quarter, the value of the last three months output running over one million dollars, or more than a quarter million above the previous quarter. Figures for three quarters follow:

| | Tons | Gross Value | Value Per Ton |
|---|---|---|---|
| June Qr. | 58,054 | $1,035,000 | $17.82 |
| Sept. " | 61,140 | 765,000 | 12.51 |
| Dec. " | 60,098 | 810,047 | 13.48 |

Figures based on the year's quarterly reports, which will be subject to revision when final figures are available, show that the Lake Shore mill fell a little short of handling double the tonnage in 1927 that it did in 1926. The average gold content of the ore has been lower, however, so that the gross value has not increased in proportion. Figures for the two years follow:

| | Tons | Gross Value | Value Per Ton |
|---|---|---|---|
| 1926 | 125,676 | $2,235,184 | $17.79 |
| 1927 | 214,335 | 3,105,184 | 14.49 |

# UNCOVERED VEIN IN RITCHIE MINE REPORTED GOOD

## Shows Total Width of 27 Feet Between Walls

By Staff Editor

HAILEYBURY.—Surface operations which are being carried on at the Ritchie Gold Mines, Gauthier township, Kirkland Lake district, have resulted in the uncovering of a vein for a length of 700 feet showing a total width of 27 feet between the walls. This has been opened up by four cross trenches 150 feet apart. Samples from one section gave values up to $13 across a width of from 5 to 6 feet. Sampling from other sections is not yet completed but is reported to look equally promising. As soon as surface development has been completed diamond drilling will be carried out to test the vein at depth.

There are two parallel breaks on the property which will be cut by the drills, and if results measure up to expectations, a shaft will be sunk, with the objective 1,000 feet. Ritchie Gold Mines adjoins the Murphy Mines on the east and southeast, and it is thought that the extension of the Murphy vein system will be picked up on this property. Diamond drilling will be carried out on this section of the property to ascertain this.

Ritchie Gold Mines is sponsored by J. J. Byrne, Haileybury, manager of Northland Mines and Pawnee Kirkland, in association with O. B. Earle, Toronto, and A. P. Earle, Montreal, who are also on the board of the two companies. Ritchie Gold Mines has a capitalization of 3,000,000 shares, par value $1.00. One million shares were paid the vendors of the property, and two million remain in the treasury. The stock has been underwritten by Gorrie, Macdonald and Robertson, Toronto brokers, and a public offering will be made shortly.

# TRIBUTES ARE PAID TO CANADIAN MINING

## Ross Says Industry is Next in Value to Agriculture

MONTREAL.—Glowing tributes to the place of mining in Canadian industry were paid by James G. Ross, consulting mining engineer for the Milton Hersey Company, at the electrical meeting here.

Mr. Ross stated that the value of mining production in Canada for 1927 amounted to $250,000,000, which brought the mining industry next in value to that of agriculture. Mr. Ross outlined the interesting ways in which the production of minerals was carried on.

Every pound of mineral mined is new wealth to the country.

The mining industry provides the nucleii of towns, and the mining, concentrating and smelting plants provide markets for machinery, power and electrical equipment. Mines are a source of profit and during 1927 this amounted to some $16,000,000, part of which was paid out in dividends. Mr. Ross also outlined the developments that are taking place in each of the Caandian provinces and referred to the new boom which is starting in British Columbia. He remarked that in the Slocan four new concentrators are under construction to treat lead and silver ores. He mentioned that it was significant that the annual meeting of the Canadian Institute of Mining and Metallurgy would be held this year in Quebec City.

# DRILLING IS GOOD IN PATRICIA AREA; WORK CONTINUES

## Plants for Properties Are Rushed to Goldpines Before Freeze-up

From Our Own Correspondent

GOLDPINES, ONT.—Last year the diamond drilling and surface exploration work performed on such properties, in the Narrow-Woman-Clearwater Lakes area, in the district of Patricia, as Picard, Jackson-Manion, Macaulay, Bathurst, Lindsay, and Hill, proved that veins which existed on these properties, produced values sufficiently encouraging to warrant larger programmes of development.

Last fall Picard and Jackson-Manion Interests placed orders for plants for their properties, which reached Hudson sufficiently early to be transported by water, and the two plants were delivered at Goldpines before the freezeup.

The fact that these two companies were rushing in the necessary machinery and supplies to develop their properties, served as a stimulus to others who owned properties in the district, and this winter plants are being moved in over the winter road to Bathurst, Lindsay and Hill camps. While many others are bringing in sufficient equipment to carry out an extensive programme of surface development work.

**Acquired Option**

Last month The Picard Gold Mines Ltd., acquired an option on the well known Macaulay group of 9 claims which are situated on East Clearwater Lake and on which an option was held by Huronian Belt Company last year, this latter company preformed considerable surface development work as well as putting down 4 diamond drill holes.

This work proved that an ore body existed, which was opened up for a distance of 260 feet in length with an average width of 33.6 feet and when sampled gave an average value of $5.83 in gold per ton over this width. Individual assays showed values up to $22.00 over 5 feet, while it is understood that 2 of the diamond drill holes showed that values were greatly improved at depth.

Immediately Picard Mines had arranged the Macaulay option men were moved into the property and permanent camps have now been built. The plant has been moved to this camp, and E. A. Dowman, M.E. for the company has just passed through on his way to the property and reports that a two compartment shaft will be sunk to a depth of 350 feet and the ore body will be opened up by cross cutting and drifting at 3 levels. There are several other likely veins on the property which will be opened up early in the spring and machinery necessary to carry on this additional work is also on the property.

At the company's camp which is known as Picards Island on Woman Lake which consists of a group of 14 claims, and where considerable surface development work was performed last year, a very encouraging looking vein was uncovered with proven length to date of 1,800 feet. Sampling on this vein produced exceptionally good values, and in order to substantiate the belief that the vein not only widens at depth but that it also shows improved values, as so far proven by test pits sunk along its length, a contract was signed with Messrs. Reed & Ryan of Timmins, to do several thousand feet of diamond drilling. The drills are now being set up on the property and drilling will have commenced within the next few days. Mr. Dowman reports that if the drilling proves values which are expected that machinery will be rushed in and this property will also be developed by sinking a shaft.

In order to protect this very promising vein, the Picard people have also signed an option on a group of 14 claims contiguous to the south boundary, while the north is protected by a group of six claims which are owned by the company. From good authority it is learned that the company has sufficient money in its treasury to carry on development work on its properties for at least two years.

**Option on Hill Property**

The Consolidated Mining and Smelting Co. have an option on the Hill property which ties on to the Macaulay and are moving in two compressors and the necessary equipment to develop this property. In close proximity the Coniagas Mines also hold an option on the "Laidley" group. East Clearwater is the busiest spot in the district of Patricia and this year should prove what properties in the district will be mines.

Since the freezeup early in December Goldpines has been a very busy mining town, the hotels filled to capacity at all times, and the stores doing a very heavy business. Several companies are in the field with teams and tractors and tons of freight for the mines are passing through here daily. Wireless stations have been located at Goldpines, Red Lake and Woman Lake, and two new post offices have just been opened in the Woman Lake area.

**Joins Brokerage House**

O. D. Robinson, F.C., B.A., who has resigned his position with the Imperial Bank and joined the firm of Fleming & Marvin. He has had extensive English and Canadian banking experience, having started his business career in the Midland Bank, Manchester, England, and has been manager of branches of the Imperial Bank of Canada in Vancouver and Toronto, being the manager of Yonge and Bloor Branch for the last four years. He is one of the few men to pass the senior examination of the Canadian Bankers Association with honors.

# SHERRITT STOCK HELD BY BEDFORD SHOULD BE GOOD

## Bedford and McDougall Mines Holds 150,000 Shares

Holding 150,000 shares of Sherritt-Gordon stock in their treasuries, should prove a nice thing for Bedford and McDougall Mines. Already the investment shows them a tremendous profit as it is likely that the highest they paid for it was 50 cents. Now they have each taken down a nice gift in the form of 25,000 shares, their rights under the recent offering of $4 stock, and which imediately showed a profit of around $75,000 which hardly hurts the treasury of any concern. Undoubtedly McDougall has marketed its 25,000 share allotment, but it is likely that Bedford Mines will hold its portion for a while, thus giving it 175,000 shares of Sherritt-Gordon.

Sudbury Basin Mines had 171,000 Sherritt-Gordon and it thus had the right to take up an additional 28,500 shares, making a total of 199,500. As this company is in a very strong liquid position, it is likely that it will continue to hold its shares, which at $7 have a market value of $1,396,500.

**WATCH ACONDA DRILLING**

Electrical survey of Aconda has indicated a strong conductor 450 feet long. Diamond drilling commences today on the results obtained from the Radiore. Some interesting news ought to be forthcoming from this drilling program.

**Evangeline Gold Mines Uncovers Over 30 Veins**

MONTREAL.—The Evangeline Gold Mines, operating at Oldham, near Halifax, and in Guysboro county, Nova Scotia, has uncovered 30 or more veins ranging from 4 to 8 feet in width. They have been traced for a mile. R. W. Sweet, the engineer in charge of the properties, states that it is one of the biggest discoveries made in Nova Scotia.

The Evangeline Gold Mines is one of the few Nova Scotia operations in which there is an investment interest in Central Canada. Other Nova Scotian gold mining operations which are progressing have been developed by private interests.

# ELGIN-KAMISKOTIA HAS COMMENCED DIAMOND BORING

## It is Hoped to Pick Up Hollinger Ore Body

By Staff Editor

TIMMINS.—Diamond drilling has been started on the property of the Elgin-Kamiskotia Mines, which is located immediately west of the Hollinger's Kamiskotia property.

The program of exploration that has been mapped out calls for 10,000 feet of diamond drilling. Efforts will be concentrated on the eastern section of the property where it is hoped to pick up the Hollinger ore body now under development close to the Elgin-Kamiskotia boundary line.

A crew of some ten to twelve men are now working on the property under the direction of Harry Heine, M.E.

The Elgin-Kamiskotia property comprises a group of 12 claims. The company is a private concern. Max Lang, M.P., is the president of the company, and the directors are D. H. Angus, Haileybury; D. Ostresser, and A. W. Lang, Timmins; and B. W. Lang, barrister, Toronto. The development work is being financed privately and no stock will be offered the public until the directors are satisfied they have an ore body of sufficient size and importance to warrant such a step.

The promising results which the Hollinger are reported to have secured on the adjoining property, would tend to indicate that interesting developments may be anticipated from Elgin-Kamiskotia, and progress in its development will be followed with much interest.

**Five Men go to Survey District of Rice Lake**

MONTREAL.—The Radiore Company are sending a crew of five men on a survey extending over several months to the Rice Lake district in Central Manitoba. The property to be surveyed is the Selkirk Canadian Gold Mines Limited—one of the partially developed mining properties that has already produced gold.

**Potter Doal Increases Capital; Buys Warden**

Potter Doal mines has increased its capital three to five million shares and taken over the Warden group adjoining paying 1,250,000 shares.

The company has also made a deal to sell 250,000 treasury shares at 20 cents.

**Volcanic Oil Offers Rights to Shareholders**

An extra dividend of five cents a share has been declared by Volcanic Oil & Gas. The regular rate is $1.40.

Shareholders may purchase new common stock at $20 the share, on the basis of one in ten. There are 214,852 shares outstanding.

**A Complete Mining Plant For Astoria Rouyn**

is now en route to more quickly prove up at depth the surface indicated, 1000 feet long and 74 feet wide potential ore body on group IV. Test pits have shown increasing mineralization at depth.

Field operations are under the personal direction of J. G. Sipprell, a competent and experienced mining engineer.

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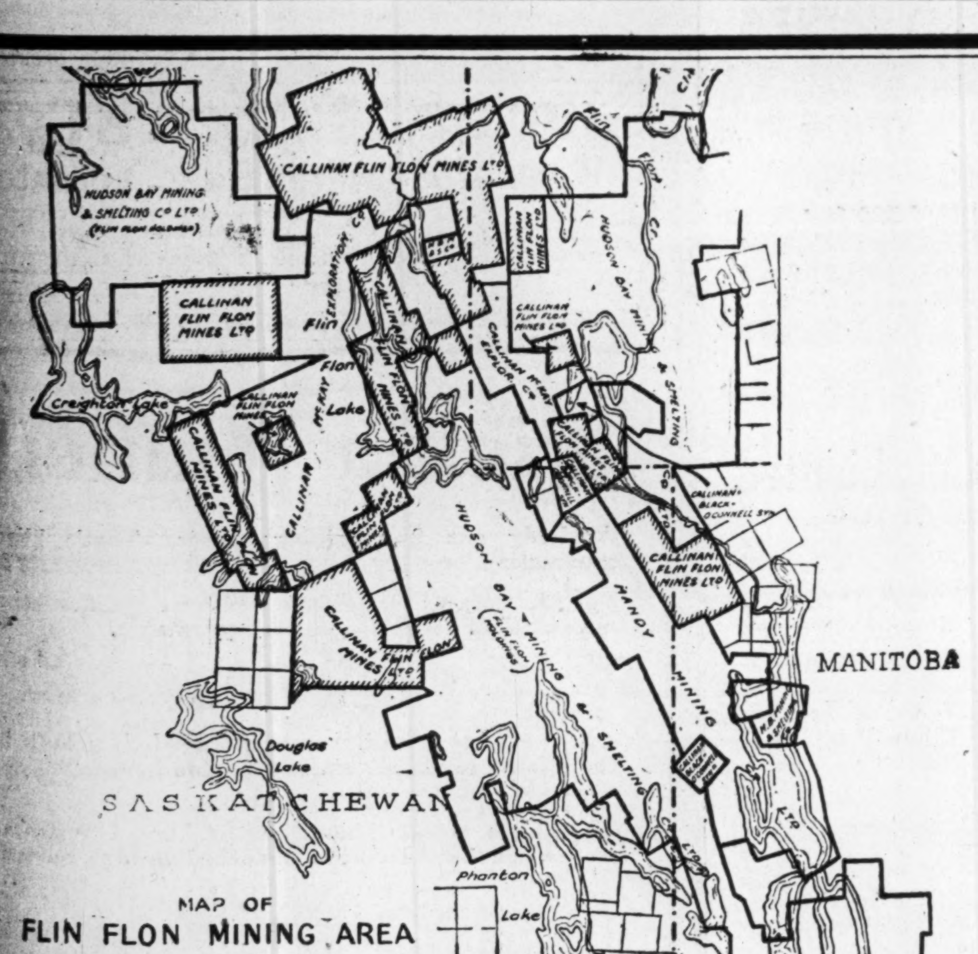


MAP OF
FLIN FLON MINING AREA

Full particulars of Hudson Bay Mining and Smelting, Callinan Flin Flon and Mandy Mines available on request.

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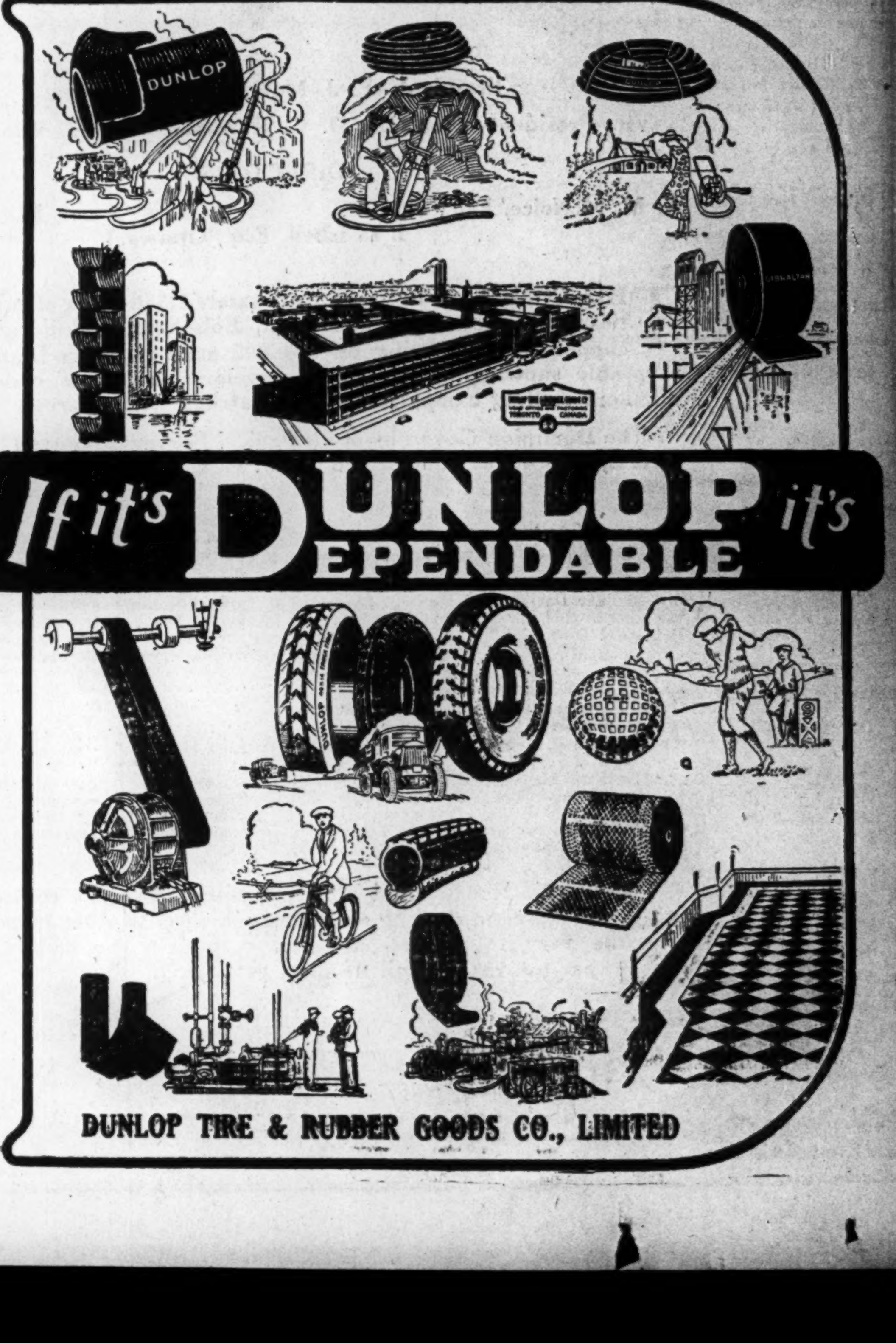

# PORTLAND AREA LIKELY TO HUM DURING SUMMER

## Several Other Deals Follow Purchase of Silverado Group

News of the purchase of Silverado Groups Portland Canal by Premier Gold mines, has been followed by several other deals and Portland Canal area is expected to hum during the coming summer. Bush Consolidated has acquired Woodbine Extension which is considered in line of the Premier zone. Cantu group of claims, in the upper Salmon basin, Portland Canal district, will probably have more done on it this season. This property was owned by Mrs. F. W. Cronholm and T. W. McDonald, and recently Mrs. Cronholm sold her interest to Los Angeles parties represented by W. J. Lee, who has an option on Mr. McDonald's interest. The Cantu was bonded by the Premier in April, 1926, but was relinquished after a certain amount of diamond drilling had been done. Following the optioning of the property, many claims were staked in that vicinity. It is believed that the work done did not reveal the potentialities of the property.

The deal for the acquisition of the Mountain Boy property in the Bear river section of Portland Canal district, which has been in hand for some weeks, has been completed and Pat Daly has gone to Montreal to discuss with his principals the development of the property, according to Western Canada Mining News. The price is $250,000. Seventeen claims are included in the transaction.

Mountain Boy was the first property located in the Portland Canal district back in 1902, when F. P. Stewart, M. I. Stewart, John Conway and Ward Brightwell were interested. It was bonded by C. B. Bussell, who sent in Jack Pedersen to do the assessment work. The showing was sufficient to start the first big movement in this highly mineralized area.

Mountain Boy, however, lay dormant until 1910, when Sir Donald Mann bonded it from the original owners. Later W. H. Tolin, of Stewart, obtained a bond from the original owners.

After weeks of negotiation, the deal in connection with the Independence, Portland Canal district, has been signed up. The Revenue Mining Company, with whom is associated Eastern people, will start as soon as possible in the spring to do 600 feet of tunnelling and 200 feet of upraise, and it is expected that this will result in a sufficient showing to encourage the taking over of the property. This work should be completed by August or September. In connection with the deal, $5,000 has already been paid, and $5,000 more will be paid the latter end of March.

Over a year ago Charles G. Bush, of Detroit, had a deal on with Independence, to advance $75,000 for development work, but it fell through. As Revenue Mining Company is acting in British Columbia for Mr. Bush, it is concluded that Mr. Bush is again connected with the transaction.

Fitzgerald Brothers have worked many years on the Independence, and it will be a matter of great gratification to them to have the property under development.

# *20 Miles of Rail Laid on Branch to Flin Flon*

J. W. Callinan, of Callinan Flin Flon, just back from his property, says that steel has been laid for 20 of the 85 miles from the Hudson Bay Railway to the Flin Flon property. The branch leaves the Hudson Bay Railway at mileage seven. Nine hundred cars of bridge lumber and piling is ready to be taken in. Five tractors are doing the bulk of the hauling and five more will soon be on the job.

Mr. Callinan says teams are so scarce that he had to buy teams to haul in his own equipment.

### Consistent Mineralization is Report of Marriott

Consistent mineralization with disseminated chalcopyrite throughout rhyolite and particularly around 140 and 145-ft., is the report of Marriott Mines manager on Hole No. 17. He says that at 145-ft. horizon the drill cut a foot of vein matter heavily impregnated with copper and iron sulphides, and he expresses the belief that he is at the beginning of the contact zone corresponding to the surface ore outcrop. He was compelled, however, to discontinue this hole due to caving and commenced a new hole to cut the section at greater depth.

Development work to date has proven the property to a point where it is stated that they have a mine of low-grade ore.

### Sudbury Mines' First Drill is Down Seventy Feet

Sudbury Mines first diamond drill hole is down 70-ft. It is proposed to cut a fine showing of ore on surface that gave $16 values over a width of 9-ft., and traces of lead and silver for a length of more than 190 feet. An open cut was blasted across the gossanized zone to a depth of six feet and disclosed mineralization across a width of twenty feet, with commercial ore over the widths mentioned above. Major J. H. Rattray, M.E., in charge, has already laid out further drilling.

### Good Increase in Values is Sherritt-Gordon News

A complete report is being made on Sherritt-Gordon by John C. Rogers. Some optimistic reports are abroad in regard to the enterprise. It is understood that work on the eastern extension of the ore body, besides adding materially to the length, has also shown a substantial increase in values. This, it is said, has given indications that ore $3 above the previous acreage of $13 may be expected.

Two shafts are now being sunk on the property.

### Good Results Expected from Corona Mines

Corona Mines has had a diamond drill in operation for the past week and the results are expected to reveal similar conditions at depth to that of the adjoining Amulet and McDougall groups. The geological structure is identical to that of Amulet and the other properties of the district and it is expected that commercial ore will be found through the diamond drilling that is being carried on at the present time.

# NO CHANGE MADE IN BIDGOOD MINE; RESULT IS GOOD

## Statement Made by Company's Secretary Regarding Operation

There is no change in Bidgood situation. Results continue quite favorable, on the 300 and 400 ft. levels. It is not expected that news will be available in regard the 600 ft. level for at least a couple of weeks.

Sec. W. B. McPherson recently issued an official statement on the operation which reads:

"During the past two months a large amount of work has been carried out on the 400-ft. level, extending the main workings and driving two crosscuts north 300 feet apart in order to locate the same ore body as has been opened up for a length of 250 feet in the upper workings, which we stated officially would run $12 to the ton over an average width of eight feet.

"Both crosscuts have now cut a vein so far up to 16 feet in width, which is undoubtedly the same ore as on the 300-ft. and 250-ft. levels. The length as shown between the crosscuts considerably exceeds 300 feet, how much more, we do not know.

"Drifting is now in progress both ways on this vein, in order to obtain definite knowledge of its width, length and average value. Its general appearance and structure are excellent.

"About the middle of December one of the crosscuts intersected a vein of considerable width which was not found on the 300-ft. level, and which is possibly the apex of another ore body.

"We have also completed a great deal of work on the 600-ft. level, which will be accelerated shortly when we have learned more about the dip of the vein above.

"Altogether the work has been absolutely satisfactory in every way. At the present moment we regard the outlook as so excellent that we have about completed the construction of our own assay plant, which will be in operation about the 10th of the month, and have also entered into an agreement with the Northern Ontario Light & Power Co., so that from now on all our equipment will be operated electrically.

"The tissue of stories, without the slightest foundation, which appear to have been going the rounds, have not reduced a fraction, the value of our undertaking. In fact, the engineering experts of a dozen companies have more than confirmed our own opinion as evidenced by the large number of new operations now being carried on all around us."

Bidgood owns 14 properties in Lebel Township, containing 417.7 acres, with a length of the same geological structure as in the shaft area across its property for a mile on the strike of its vein system. It also has a substantial share interest in Cambro Kirkland, adjoining, which has just completed its buildings and commenced shaft sinking.

Bidgood's shoot of ore on the 300 foot level is equal, if not better than anything else developed at that horizon in the Kirkland Lake Camp. It is consistent, has great possibilities for length and carries good commercial values throughout.

# STRENGTHEN HARVIE ADMINISTRATION BY ADDING EXECUTIVES

(Continued from page 21)

when the full extent of their assets in other fields are disclosed. Simultaneously with a reorganization of the Clericy field operations a survey of the various holdings in other fields has been made and plans for dealing with each are being carefully worked out.

Harvie Mining treasury will hold a nice block of stock of Fort Hope Mines, a company formed by Ed. Horne who discovered Noranda; Lorne Howey who discovered the Howey mine in Red Lake and the Harker mine in Lightning River; J. W. Morrison, formerly manager of Lake Shore Mine, and regarded as one of the most notable of the north country's prospecting engineers, and Fred G. McLeod, who was associated with the discovery and early development of Flin-Flon and later acted as chief scout for Nipissing and Noranda.

Fort Hope is another of Lorne Howey's contributions to Canadian mining and his achievements in absolutely virgin and unexplored territory are remarkable. Probably no other individual has done so much to open up absolutely new fields. Some of the assays obtained on the Fort Hope discovery were amazing and it is told of Howey that after doing his sampling in his usual careful way he offered his entire equity to anyone who sampled after him and failed to get higher values than he reported.

A mining plant is being taken in over winter roads and a development which may well lead the way for a rush which will eclipse the great Red Lake boom in 1925 will shortly be commenced. Harvie shareholders will have every reason to follow this operation with interest.

**Exploration Co. of Canada**

The most important group of assets were in the Exploration Company of Canada Limited, which during the past year collected a group of options that would have done credit to any established and highly organized company. These stretched from Gaspé to British Columbia and represented a variety of mining efforts and problems. Some were dropped after thorough examination because they did not measure up to the standard required, and one because the financial commitments were too great for the organization at that stage.

There remained, however a group of properties each of which possesses unusual possibilities of success and in assembling and organizing the various Harvie assets, methods of dealing with these had to be carefully worked out, the guiding principle being to secure for the Harvie shareholders the maximum equity possible without involving the Harvie Mining Company's own treasury, which, according to the fixed plan of the directors, is to be entirely reserved for the Clericy operations.

**Sudbury Area**

The three properties in the Sudbury Basin constitute a mining operation of such magnitude and importance that it was decided to confine the operations of the Exploration Company of Canada to these, while organizing the development of the others separately.

Two of the Sudbury properties directly adjoin the Yukon Treadwell property while the third is tied to the north-west corner of the International Nickel-Frood property. On all three there are clearly defined mining situations of the greatest importance to be developed. It is understood that a full statement of the plans for operating these properties will be issued this week. Sufficient, however, is known to stamp them as being one of the outstanding mining opportunities of the entire Sudbury basin, and the Harvie equity in these may well prove of sufficient value to make the entire Harvie mining enterprise a profitable venture.

**Capital Structure**

The Exploration Company of Canada Limited, has an authorized capital of 2,000,000 shares of no par value. Out of an issued capital of 1,000,000 shares the Harvie Mining Company hold 600,000 shares, half of which will be distributed to the Harvie shareholders as a bonus, while the other half will remain in the Harvie Mining Company's treasury as a company asset. The Harvie Mining Company's treasury also holds 500,000 shares of the Buckeye Mining Company which is developing the famous Buckeye mine in the Kootenay District of British Columbia.

The Buckeye mine adjoins the Consolidated Smelters Highland mine and has as a next door neighbor the Kootenay Florence which is one of the leading features of the present mining boom in British Columbia.

**Buckeye History**

Like many of the British Columbia mines which have come into their own during the past few years Buckeye has a romantic history; the story of one man, a mining engineer of great distinction, whose faith in the ultimate outcome of the district and his mine in particular led him to resist offers of the most tempting sort for a quarter of a century. As far back as 1902 when lead was a much cheaper commodity than to-day the Guggenheims offered $80,000 for the property but this and many others have since been refused and to-day he finds himself in the very heart of a great mining camp with ore established up to his line by his great neighbor down to the 400 foot level, while another neighbor is tunnelling into the same formation at 1700 feet.

The possibilities of this mine are attested by examining engineers of high standing. It is now equipped with the necessary machinery for development and because of its situation and the tonnage of ore already indicated the Buckeye should be in production by summer.

With such large stakes in the very centre of these two most active camps in Canada, Harvie Mining shareholders can look forward to an interesting summer.

It is understood that the realignment of the Harvie Mining Company was made at the express wish of Dr. Robert Harvie who desired to be relieved of the great administrative burden which he has borne for the past three years in order to devote himself to the geological problems of the company's many subsidiary holdings. Dr. Harvie's faith in the mining future of Canada and his genius for organization has made possible the bright future which appears to lie ahead of the company which bears his name.

A brief summary would show the Harvie Mining Company with resources sufficient to carry through its summer's campaign of development in Clericy; and holding on behalf of its shareholders substantial blocks of stock in three of the most interesting and potentially valuable mining operations in Canada.

This, considered in the light of the strong and efficient direction assured to the company makes, as stated at first, a very impressive picture.

# MINERAL BELT IS TO CARRY OUT INTENSIVE WORK

## Considerable Trenching and Stripping Has Been Done Already

TIMMINS.—An intensive program of diamond drilling and surface work will be carried out on the property of the Mineral Belt Mines Limited, Kamiskotia District, following the completion of camp buildings now under construction.

Considerable trenching and stripping has been done already on this property and the nature of the discoveries reported are such as to make this one of the outstanding prospects in the Kamiskotia District. A gold-bearing vein having a width of from 3½ to 6 feet, was stripped for a distance of 308 feet and channel assays taken from this are reported to have given values of $27, $45 and $108. respectively.

A government analysis of iron sulphides taken from the main break is reported to have run $144 in gold and 3.7 oz. in silver, while quartz and chalcopyrite ran $27.

In addition to the main vein a deposit of high grade zinc has been located which runs as high as 52 per cent. A second gold-bearing vein has also been uncovered, running $6 to $7 to the ton.

Mineral Belt Mines is capitalized at $300,000, with shares of $1 par value. Of these about 120,000 shares are said to be still in the treasury.

The directors of the company are: J. P. McLaughlin, president, F. J. Crawford, A. R. Globe, J. R. Gordon, and T. L. Hastings.

Mineral Belt's property consists of a group of ten claims situated in the north-east corner of Turnbull Township, a portion of the property carrying over into Godfrey Township.

# MOND NICKEL ORDINARY CAN NOW BE TRADED ON TORONTO MARKETS

(Continued from page 21)

been noted in the deep workings of the North.

Not without interest in this possible situation are the possibilities for the copper-lead-zinc operations in the slates, inside the Norite in the basin. Below their depos[its] proved, they may, if this ... works out, go below the slate[s] underlying Norite and look for ... copper-nickel, precious metal ... its underneath.

**Halted Temporarily**

Mond development of its ... of the Frood deposit, like that of International Nickel is halted ... porarily while shaft sinking is ... ceeding. Both shafts will go to ... ft. Nickel's shaft, which is a ... bigger than McIntyre's shaft, ... down about 2700 ft. and it is believed that the Mond third compartment shaft is close to the same level. The last month saw the Mond shaft driven down 180 ft. It should make better speed than Nickel's shaft and is not nearly so large.


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We have now ready for distribution a special, complete analytical report on this interesting Boston Creek Mine. Shareholders will find this analysis of considerable interest. A copy will be mailed upon request.

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In Treasury $1,500,000

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Vice-President—Hon. Dr. D. C. Raymond Morand, Windsor, Ont.

DIRECTORS

E. M. McNeice, Esq., Ottawa. D. A. Jones, Esq., Pembroke.
I. L. Isbell, Esq., Ottawa.

THIS COMPANY owns approximately 1,350 acres of mining properties in the Townships of Duprat, Boischatel and Rouyn, the main copper showing being on the 800 acre group in Duprat. A most favorable showing is now being developed on these claims, and the diamond drilling campaign will be watched with interest.

The Dominion Government Geological Survey Summary Report, 1926, Part C, Page 48, as summarized by Mr. H. C. Cooke, Dominion Geologist, says:

"In the report for 1925 certain facts were noted indicating that the copper deposits might be genetically related to the granodiorite masses. Of these masses two are known: one around Lake Dufault in Dufresnoy Township, the other around Flavrian Lake in Duprat and Boischatel Townships."

(The granodiorite mass referred to is responsible for the mineralization of Howie, Noranda, Waite-Montgomery, and Amulet.)

Of the Flavrian Lake granodiorite, Mr. Cooke says on page 54c:—

"One of the best examples is about half a mile north-west of the two-mile post of the north-south centre line of Duprat, in the north-west corner of Claim A-9626." This is the claim the Capital Rouyn is drilling on the recommendation of Mr. Charles Spearman. Mr. Cooke continues: "It will be noted that this vein differs from the Horne and other deposits to the east in two important particulars. The sulphides, pyrite, pyrrhotite and sphalerite, which form so large a part of the eastern deposits, are almost entirely absent; and quartz, almost absent in the eastern deposits, here forms 50 per cent. or more of the vein. Also, chalcopyrite, which in the eastern deposits appears to have come in somewhat later, replacing the other earlier-formed sulphides, is here deposited contemporaneously with the quartz."

"A considerable number of veins of this type have been found east of the Flavrian mass in the south-west corner of Duprat Township and the adjoining part of Dufresnoy Township. They are all of the same type, rather narrow, filling fault fissures, and composed mainly of quartz and chalcopyrite in varying proportions."

The Capital Rouyn Gold Mines, Limited, have just contracted for an aggressive diamond drilling campaign which is to start immediately and with the very favorable geological conditions encountered, it would appear that the results will be most gratifying.

**Capital Rouyn Gold Mines, Limited**

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